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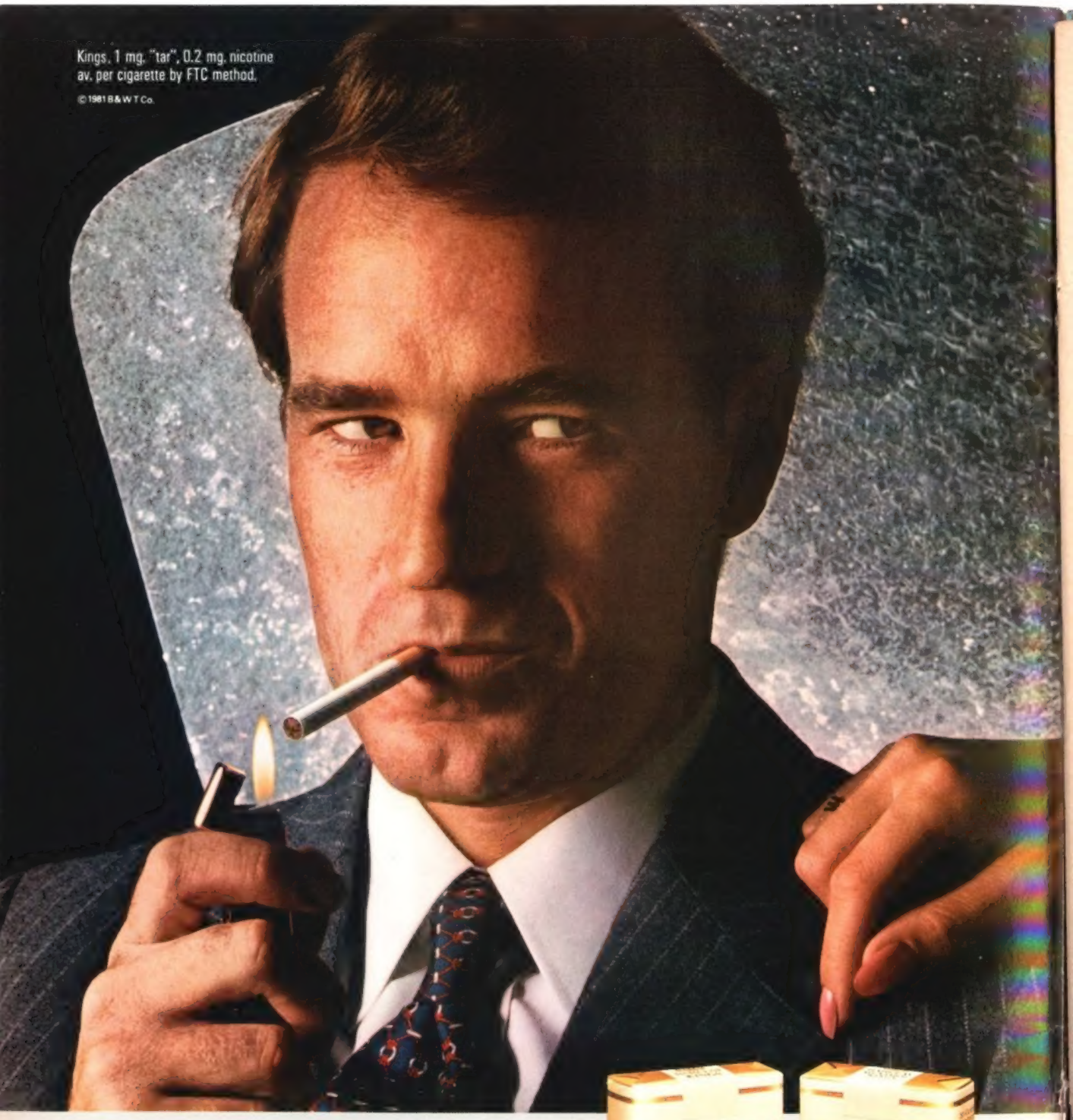

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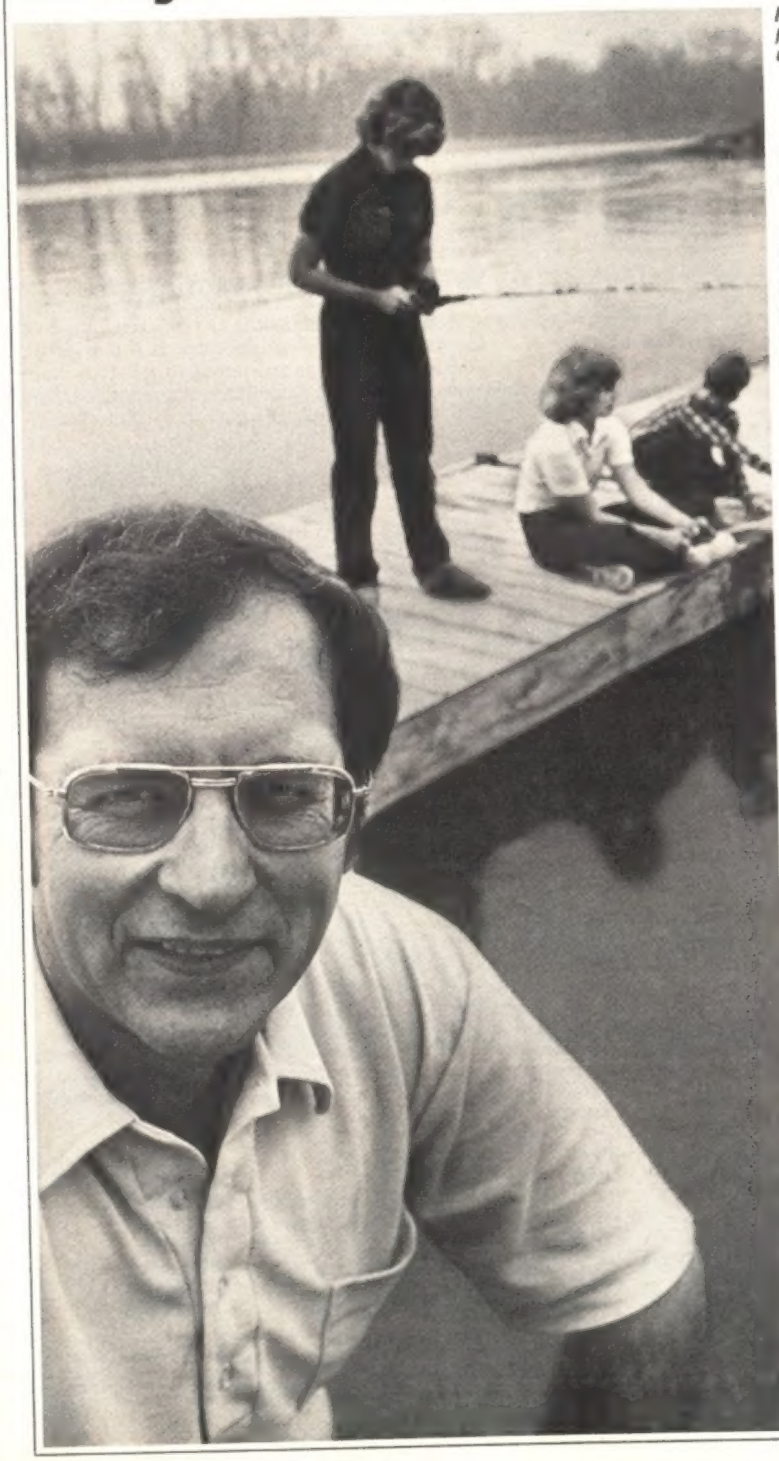

Ken Ficek, Manager of Technical Services for one of America's chemical companies, with his children, Mary, Karen and Kevin.

"I'm involved in controlling water pollution in two ways," says Ken Ficek.

"First, my company makes chemicals used by municipalities and industries to purify drinking water and treat wastewater. And that's satisfying work—helping people solve their pollution problems.

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DECEMBER 21, 1981 Vol. 118 No. 26 **TIME** THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

An enthusiasm for living out of a suitcase and a tolerance for jet lag are not among the usual qualifications of a music critic. But for Michael Walsh, TIME's music reviewer since last May, these attributes have proved very handy. In seven months he has made 20 trips away from his New York City base, including three to California, for performances of the San Francisco Opera; to Buffalo, for a story on Rock Singer Pat Benatar; and to Lewiston, N.Y., for the American premiere of Philip Glass's controversial new opera, *Satyagraha*. He has been to Boston, Houston, Philadelphia, Chicago, Pittsburgh, Santa Fe, and the White House twice, once for a memorable concert featuring the American debut of a long-lost Mozart symphony. Last week found Walsh in Paris to review Peter Brook's idiosyncratic new production of Bizet's opera *Carmen*. "I don't mind the travel at all," says Walsh. "It's part of what makes the job of TIME music critic so rewarding. I can go anywhere in the world where there is a major musical event."

Michael Walsh in Paris

Walsh, 32, came to TIME from the San Francisco *Examiner*, where he was music critic for 3½ years and won a 1980 ASCAP–Deems Taylor Award for distinguished music criticism. A 1971 graduate of the Eastman School of Music in Rochester, N.Y., where he studied composition and musicology, Walsh has written a piano sonata and a string quartet. Says he: "Only someone who has gone through the agony of putting notes on paper to form a coherent musical structure can know what a tremendous achievement a good piece of music is." He is also an accomplished pianist. In the mid-1970s he gave a series of concerts in upstate New York of 19th and 20th century American popular songs, and he owns an extensive collection of turn-of-the-century sheet music. He relaxes from his musical chores in his Greenwich Village high-rise at his own piano, an 1892 mahogany Steinway, playing the late music of Brahms and Liszt, or Schumann's *Kinderszenen*.

Walsh thinks it "very important that a critic not be insular about his subject," and to that end, tries to vary his musical diet with as many plays, books and movies as possible. Says he: "The biggest problem in our musical culture today is the nonacceptance by the public of new 'classical' music. Music is too often thought of as the most arcane and forbidding of the arts, when it is, in fact, as exciting and immediate as the latest movie or the newest novel. Because music is a nonverbal, nonvisual art, it has the power to move us more strongly than any other, acting directly on our emotions. The impossible task of the music critic, of course, is to use verbal, visual means to explain it."

John a. Meyer

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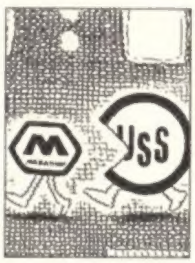

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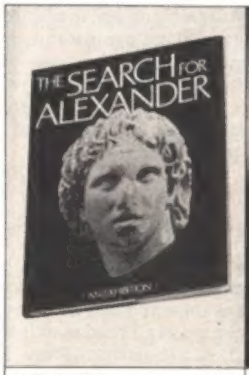

Books: New York Graphic Society and Little, Brown.

Carved crystal plate. Tagliare.

Amber worry beads with starburst pendant. Minyma.

Silk ties with Hellenistic motifs. Schreter.

Herakles Head. 24K gold electroplated metal. Alva Museum Replicas.

14K gold ring with red garnet. Diane Von Basedow.

Vermeil earrings. Herakles Knot. Zolotas.

Stationery. C. R. Gibson.

22K gold electroplated metal bracelet. Rosetta motif. Kenneth J. Lane.

Needlepoint kits. Adapted from ancient Greek designs. Mazaltov's.

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Letters

Pacifism

To the Editors:

It is heartwarming to see that Western Europeans are concerned about the future of mankind [Nov. 30]. But that is no reason to close down their defense against a possible attack from the Soviet Union. The question that the European nuclear protest movement must answer is: Who's marching for peace in Moscow?

Art H. Beroff
New York City

What makes Europeans think that unilateral disarmament would cause the Soviets to reciprocate? What makes them think it will preserve the peace in Europe? The reason there have been no recent hostilities in Western Europe is that we have possessed a clear nuclear deterrent. The pacifists are obviously defeating their own purpose.

Michael Alex
Glendora, Calif.

To say that we in NATO will use only conventional forces in the face of a military threat is to condemn ourselves to defeat in advance. We are currently outmanned compared with the Warsaw Pact countries. Without nuclear arms we would be very seriously outgunned as well. Under these circumstances, no one can risk not resisting the Soviets.

Tom Belz
New York City

People opposed to unilateral nuclear disarmament seem to believe that dying in a nuclear war is somehow preferable to Soviet domination. If the choice is between death and life under the Kremlin, I choose the latter, along with the right to oppose such tyranny.

Mark Rogers
North Arlington, N.J.

Nuclear weapons must not be stationed or built in Europe or anywhere on this planet. The human species does not have the right to doom the rest of the earth's inhabitants to destruction. No political or moral ends can be achieved through nuclear arms.

Nicola Anne DiMarco
Buffalo

We should be encouraged by the pacifist tune adopted by the Soviet Union. Perhaps now both sides can take steps toward reducing their nuclear weapons.

William H. Green Jr.
Wallingford, Pa.

If the world is as close to the brink of nuclear war as headlines say, Reagan and Brezhnev are meeting in the wrong place. There's only one spot where the masters of our fate should confer: Hiroshima. Its ghosts might give them pause.

Larry Foley
Townsville, Australia

Man of the Year?

Pope John Paul II, for his impeccable courage, compassion and humility.

Curtis P. Orio
North Haven, Conn.

Lech Walesa, the most common of men doing the most uncommon things.

Christopher A. Rodowskas Jr.
Silver Spring, Md.

The Assassin, for the gloomy shadow he has cast across the world.

Rohintan Mody
London

The Rev. Jerry Falwell, who, with his Moral Majority, has become loved, hated, respected and distrusted.

Carol L. Holmes
Philadelphia

Voyager II, for showing us that this planet is only a small piece of glass in a cosmic lamp.

Robert L. Riley
Kings Park, N.Y.

Senator Edward M. Kennedy, for communicating hope to the millions who are being dispossessed.

Royce Collingwood
Gainesville, Fla.

Bottle Battle

Kudos to Massachusetts on becoming the eighth state to adopt a bottle bill [Nov. 30]. During our summer clean-up campaign we found beverage containers far surpassed paper-type litter. No matter what the bottle industry claims, their product has made our beautiful Arizona desert the garbage pit of America.

Doris Isaacman
Tucson

In addition to the bottle, the aluminum beverage can, which accounts for more than 80 billion containers a year, presents a litter problem. However, that battle is being won through the initiative taken by private enterprise. Our company has recycled 10 million aluminum cans in our first six months of business and paid out about $100,000. This enterprising solution is certainly more in keeping with the American way.

Fred Gordon, President
Can Management Corp.
Northbrook, Ill.

Why not a mandatory deposit on newspapers, fast-food wrapping and magazines? Forcing consumers to transform our local food stores into garbage dumps just to get their deposit back is an approach most states have rejected. The bottle bill regulation is not only inflationary but affects only 5% of solid waste disposal. The legislation hardly makes a dent in the litter problem.

William W. Sadd, President
Glass Packaging Institute
Washington, D.C.

Whenever I read about returnable bottles, I wonder why no one mentions the nonsensical federal law against returnable wine and liquor bottles. Amateur winemakers refill them with impunity; so do moonshiners. More important, the energy saved by not having to produce all that glass would be significant.

Conrad A. Balliet
Springfield, Ohio

Protecting Passports

As the person responsible for protecting Americans traveling abroad as well as issuing their passports, I read with interest your article "Fake Passports" [Nov. 30]. I hope it helped convince the public that an American passport is a valuable document that some people will lie, cheat and steal to obtain. A simple way to guard a passport against abuse if stolen is for travelers to write down the passport number and keep it separately.

I regret the disproportionate emphasis in your article on possible bribery and lack of investigations. Both were overstated. There was no mention of a new and major antifraud innovation: the production by the Department of State of the world's first automated machine-readable passport that includes sophisticated antifraud features. These passports are currently being issued at our agencies in Washington, D.C., and Chicago.

Diego C. Asencio, Assistant Secretary of State for Consular Affairs
Washington, D.C.

Allen's Folly

Richard Allen's problems arising from having accepted $1,000 from a Japanese magazine [Nov. 30] reminded me of a similar incident that occurred several years ago when I gave a lecture in Japan. Afterward, the chairman gave me an en-

velope with an honorarium, which I had not asked for. I accepted the gift, but asked him to recommend a good cause to which the money could be donated. Far from taking offense, the chairman mentioned the flood victims of Izu. The meeting closed on a note of everybody thanking everybody else.

Herbert F. Storm
Delmar, N.Y.

Protest from Paradise

"Paradise Lost" [Nov. 23] shows once again the press's preference for a five-inch brush when a one-incher will do. There are several cities on the Gold Coast of Florida—Boca Raton is a good example—where the recession has not hit, where life is improving, and where paradise has been rediscovered.

William A. Konrad, Mayor
Boca Raton, Fla.

People's Tenor

You are wrong to criticize Luciano Pavarotti [Nov. 30] for his commercialism and hype. He has taken opera out of the tiny domain of the musical elite and given it to the world. Thanks to Pavarotti, some south Georgia teen-agers now concede that opera is "not too bad." What more noble achievement is there?

Frances D. Dillard
Waycross, Ga.

God's Choice?

As a nurse and a Christian, I find it difficult to believe that God would direct Oral Roberts to build an edifice such as the City of Faith [Nov. 16] in Tulsa, a metropolis already overloaded with hospital beds. Surely He would have selected a more deserving location, like Mother Teresa's mission in Calcutta.

Maria E. Hellyer
Hong Kong

Faultless Fealty

Apart from the hoo-ha attendant to David Stockman's telling us what most of us already knew [Nov. 23], there is something disturbing about the fetish of dogged fidelity to leadership that has become so fashionable in recent Administrations. Like most other virtues, loyalty in moderation is a noble trait. Of late, however, it has taken on exaggerated proportions that are inimical to a democratic society. As currently defined, team playing does more than merely quash originality. It vouchsafes us a generation of faceless robots to whom individual responsibility is equated with treason. In the extreme analysis, Adolf Eichmann, by his own admission, was the ultimate team player.

Donald Arthur
Munich

Address Letters to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020

NOTICE the changes in this series of paintings done in the last five years of Van Gogh's life. His style, the colors he used reflect his growing self-awareness. The final self-portrait was painted just months before his suicide.

In his brief career, spanning only 10 years, Vincent Van Gogh produced a torrent of work. Close to 1,700 of his works survive. Yet he sold only one painting in his lifetime, and that for an equivalent of only $80.

Today, he is an acknowledged master of modern art. (At least one of his paintings sold for over $1 million.) Yet during his life, he so belittled himself that he signed his work merely "Vincent."

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American Scene

In Dallas: Mimi Makes Her Debut

Amid balloons and gladiolas, 1,200 guests dust off their two-step before heading for the bars and tables loaded with pâté and strawberries

No one breaks windows or swings from the chandeliers. There are no Lawrence of Arabia types to match the well-oiled revelers who made headlines among the sand dunes of Long Island after Fernanda Wetherill's legendary bash in 1963. Absent too is the spectacle of several years ago, when one Dallas daddy hired a three-ring circus, complete with elephants, for his daughter's party. "They're all playing it pretty conservative this year," explains Marge Waters, a close observer of the Dallas social scene.

Conservative is a relative term. "They wanted me to be a New York deb, but it was only for one night," Mimi Martin says, as she waits for her guests to arrive at the Brook Hollow Golf Club. Making her debut at a New York cotillion would have been fun but too fleeting. How is a girl supposed to come into society in just one night? In Dallas, when a girl comes out, she really comes out: two or three functions a day in her honor, six days a week, for three months. "You lose all track of the real world," says Gwen Kakaska, 22, who was anemic by the end of her season two years ago. "You live on nervous energy."

Debutante parties may have lost some of their luster along Philadelphia's Main Line and Boston's North Shore, but in Dallas they are still the measure of a woman with social ambitions. Someone's daddy could have made half a billion in the oil patch, but if the breeding isn't right, his baby won't be a Dallas deb. "You have no idea what a great honor it is to be a debutante in Dallas," says Mimi's grandmother, Florra Anderson. Mimi is one of only nine debutantes in Dallas this year. Traditionally, all of them have a relative who belonged to Idlewild, a select men's club composed of about 60 bachelors and a few hundred more inactive, married members. With fine discrimination and total secrecy, the men of Idlewild have been picking the debs since 1884.

Poised and pretty, Mimi looks just like a deb should look, even though she is 22, several years older than her counterparts in the East. She finishes a cigarette, slips into her long gloves, and braces for a session with the photographer. She is nervous. Her parents are nervous. "You could cut the tension in our house this afternoon with a knife," says her father, Alfred Deloach Martin Jr., who is in what Texans call R. and I.—ranching and investments. In a few minutes, 125 guests are scheduled to arrive for a dinner in Mimi's honor given by Gene Bishop, an old family friend and chairman of the Mercantile Texas Corp. Then, after dinner, another 1,200 people will descend on the club for the ball.

Mimi likes red. So Brook Hollow is red this night. Hundreds of red and white balloons. Huge sprays of red gladiolas. The tablecloths are red, as are the matchbook covers with MIMI emblazoned on them. So too are the rubies surrounded by diamonds in Mimi's necklace and earrings. Neiman-Marcus allowed Mimi the run of the jewelry department to borrow anything she wanted for her ball. "It was real special," she admits.

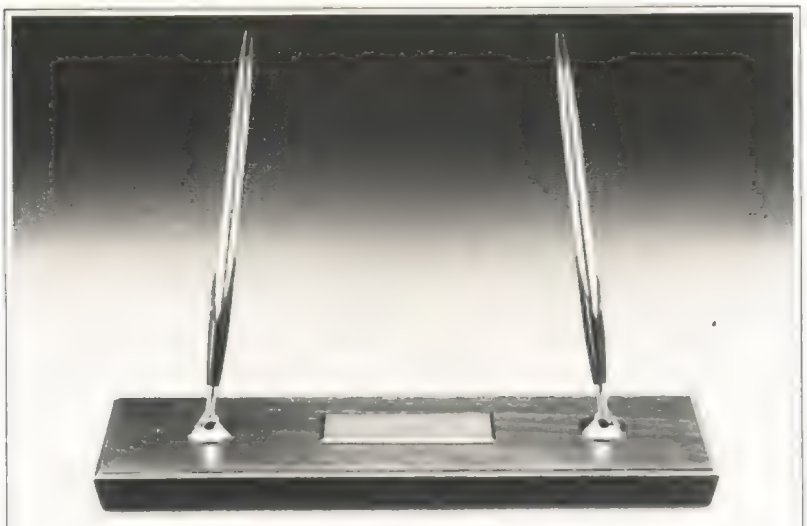
The belle of the ball dances with Father

"I could invite anyone I wanted, and did."

Dinner is a cozy affair, with crab soufflé, lamb, two wines, crêpes, champagne. Bishop tinkles his glass and affectionately tells everyone how Mimi had set the world record in attending schools no one had ever heard of. Like many a deb before her, Mimi is not obsessed with academe. She favors tennis, jogging and "a lot of needlepoint." She spent a year at a school high enough in the Swiss Alps to ensure that everyone majored in skiing, and she also attended Alfred University in upstate New York, where she had heard that they had a great ceramics department. "I used to do a lot of pottery," she explains. For the moment, she's a full-time deb.

Mimi and her parents dash out of the dining room before the champagne is gone to get into the receiving line. Mal Fitch and his twelve-piece band, fixtures on the Dallas debutante scene, strike up some Glenn Miller. The guests snake out of the ballroom, through the foyer, to the front door, where fleets of limousines are still depositing the newly arrived. The men emerge crisp in white or black tie; the women are elegant in gowns of every description, occasionally worn under the pelt of some endangered species.

Mimi's ball is a slam dunk affair, with two bands, countless bars, and tables groaning under mountains of pâté, strawberries and cheese. All this is matched by



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American Scene

ample dollops of gossip and boredom. Was this bigger than last week's ball? What about the decorations? Where did that dress come from? What do you think this cost? And where in God's name did Mimi get those rubies? "I think they went through the telephone directory," complains one older gentleman, unhappy at the size of the ball. "I could invite anyone I wanted, and I did," a radiant Mimi says. "It's wonderful, beautiful." That is what her mother thinks too. "I'm having a ball at my ball," she booms again and again.

Coming-out parties are like weddings: parents seem to enjoy them as much as their children. "It's the one time of year when wives spend their husbands' money, and the men can't complain," Mr. Martin explains. And the bills are not inconsequential. Estimates vary wildly, but a first-class debutante ball starts at close to $50,000 and can run into hundreds of thousands. Some fathers take it better than others. Tom England, whose daughter Kyle, 22, made her debut a week before Mimi, has a secret survival tactic: "Drink a lot and nap a lot."

The decibel level rises as the evening goes on. Young stags huddle around the bars, looking steadily more glassy-eyed. Older couples float around the room in time-polished two-step, while the younger couples try to avoid each other's toes. But when Cole Porter gives way to rock 'n' roll, it is the older group that looks a tad silly dusting off their versions of the jitterbug, while the baby boomers twitch admirably to the new music.

The generation gap becomes unbridgeable when the White Animals start playing serious rock in another part of the club. The White Animals are Mimi's favorite band, and she had them flown in from Nashville for the occasion. She and her escort, Dayton Macatee, 23, are dancing up a storm. That Mimi and Dayton get along so well is no surprise; they're both well-bred, well-off young Texans. Keep in mind, though, that Mimi had nothing to do with the selection of Dayton as her escort. In feudal fashion, Idlewild made the match, based on criteria known only to the club. All the other couples were paired by Ann Draper, a professional social secretary. This matchmaking ritual began as a convenience decades ago and still seems to bring shining results. Says Kyle England: "I haven't had a bad date yet."

No one turns into a pumpkin at midnight. The guests are too busy devouring an early breakfast and gyrating to the White Animals. By state law, the booze has to stop flowing at 2. It does, and Fitch calls it a night. But the White Animals continue, and so do the revelers. At 4 a.m., the remaining stalwarts head off to various homes for a nightcap. For Mimi, it has been a "very quick fairy tale." She has even less time to savor it. At 11:30, there will be a luncheon in her honor.

—By Sam Allis

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TIME DECEMBER 21, 1981

COVER STORIES

Searching for Hit Teams

There was no proof, but there was sufficient reason to believe

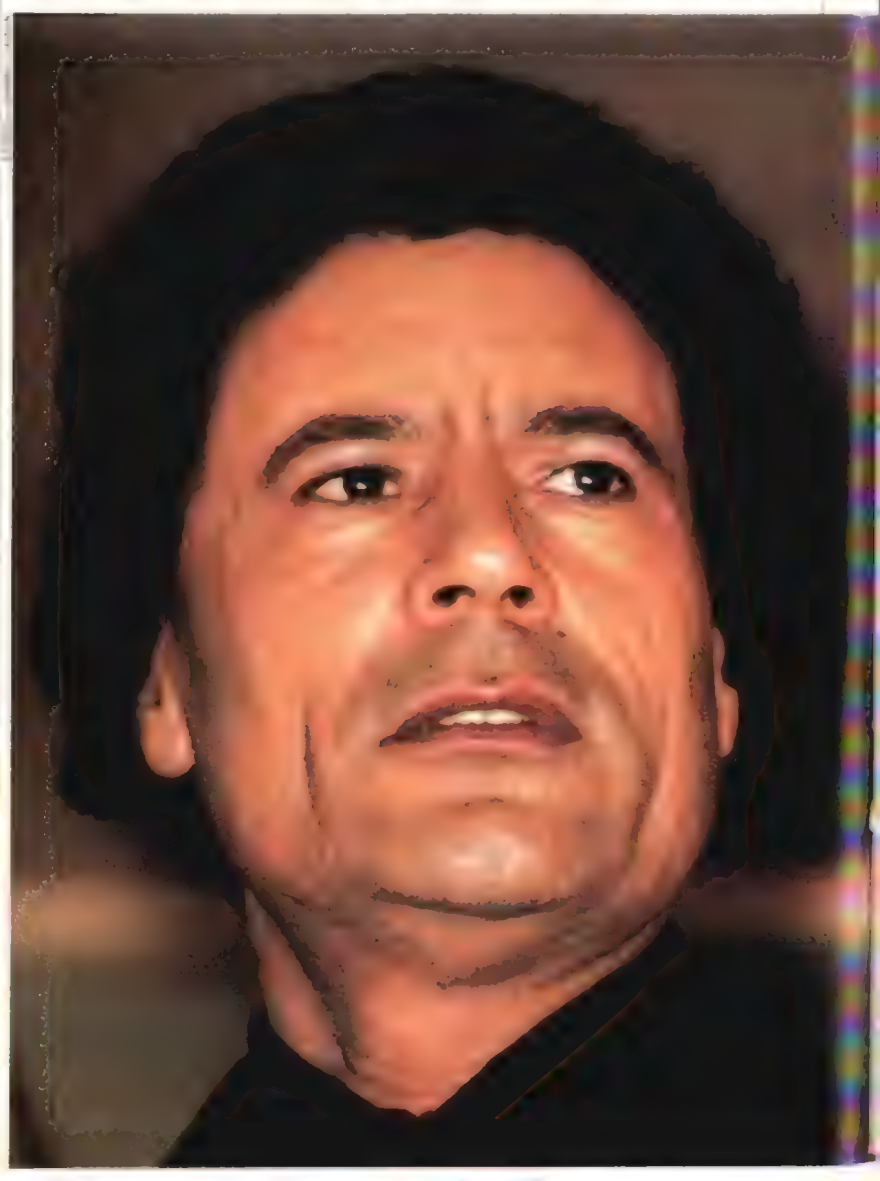
With its finely wrought balustrade, the Doric columns supporting its portico, the Villa Pietri looked like a Roman nobleman's villa that had somehow been misplaced on the edge of the African continent. It was the headquarters from which Gaddafi directed the global activities of his terrorist network. The Libyan leader himself had assigned those who went out from the villa to do his bidding their leitmotif: "Everything that puts an infected thorn in the foot of our enemies is good."

—*The Fifth Horseman*, by Larry Collins and Dominique Lapierre

It sounded like the plot of an international thriller, as frightening as the fictional tale told in the Collins-Lapierre bestseller in which Libyan Strongman Muammar Gaddafi threatens the U.S. with nuclear blackmail. According to reports received by the U.S. Government, hit teams had been dispatched by Libya to assassinate President Ronald Reagan and other top American leaders. As increasing fragments of evidence about the plot became public last week—some chilling, some bizarre, some literally beyond belief—Washington found itself embroiled in an international confrontation without precedent. If Administration reactions were confusing and contradictory, so were the facts from which decisions had to be made. If intelligence agencies and the Secret Service seemed to be reacting with undue alarm, they could offer a justification that was hard to refute: the true calamity would be to take the threat too lightly—and be wrong.

Despite skepticism in many quarters about the very existence of a hit-team plot, the White House was taking no chances. Security around the President, which had been notably increased since the assassination attempt by John Hinckley last March, was strengthened still more. Air Force One, for example, was equipped with sophisticated electronic gear that would allow its pilot to evade a missile attack, and Reagan sometimes rode in unmarked cars instead of his official limousine. At other times, presidential motorcades featured two similar limousines, both with flags flying.

The rising tensions between the U.S. and Libya were dramatically demonstrated last week in an extraordinary exchange of charges over the existence of the hit teams. Interviewed on ABC's *This Week with David Brinkley* (see PRESS), Gaddafi stoutly—and predictably—denied he had sent agents to kill Reagan. "We refuse to assassinate any person," said the mercurial Libyan leader, a startling statement on the face of it, since his gunmen are believed to have murdered at least a dozen Libyans in exile over the past 18 months because they opposed his regime. Gaddafi continued: "If they have



"He is silly. He is ignorant"

MUAMMAR GADDAFI

evidence, we are ready to see this evidence." Why then is Reagan taking the rumors seriously. Gaddafi was asked "Because he is silly, he is ignorant," replied Gaddafi. Next day, when asked about the Libyan leader's remarks by reporters at the White House, Reagan answered, "I wouldn't believe a word he says if I were you." But why didn't the Administration make its evidence public? Reagan smiled slightly. "We have the evidence," he said softly, "and he knows it."

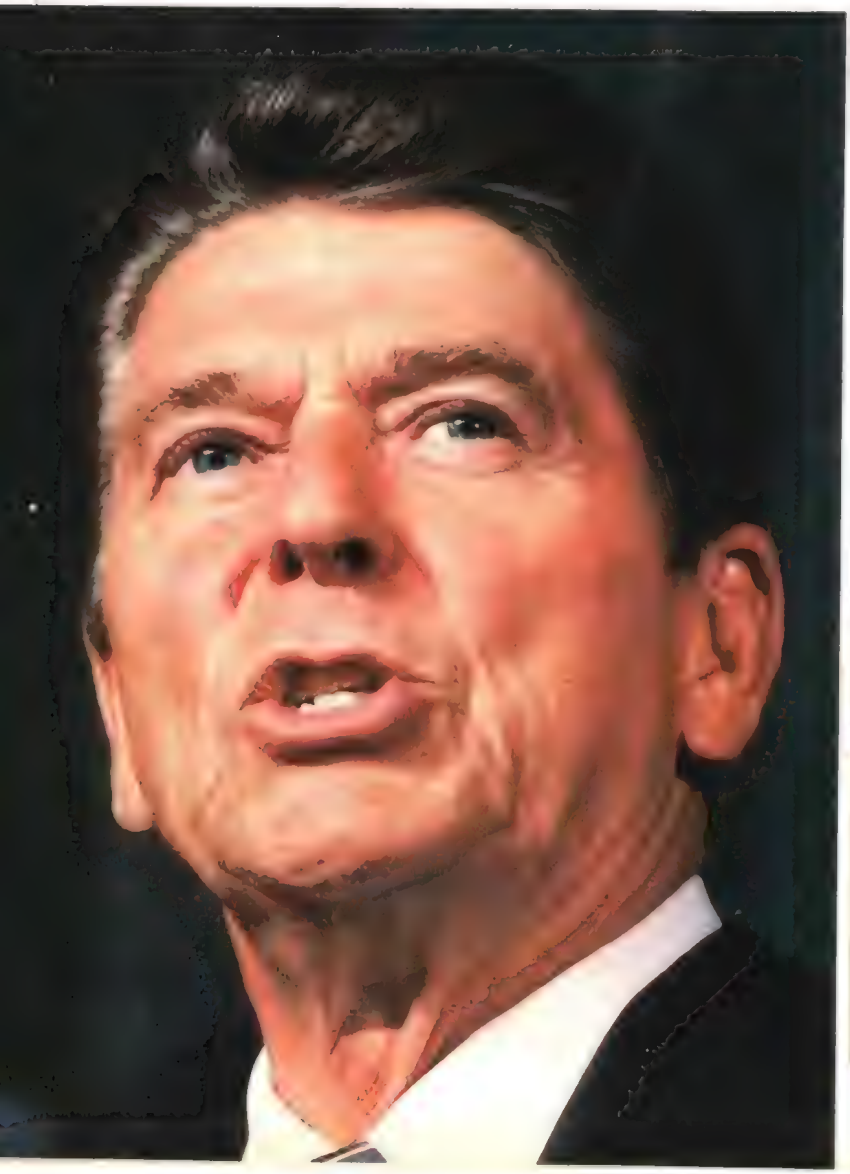
Indeed, the reports of Libyan hit squads stalking U.S. leaders may finally snap completely the badly frayed relations between the two countries. Ever since Reagan took office last January, the Administration has been exploring ways to punish and isolate Gaddafi, whom it sees as the world's premier exporter of subversion and terrorism. After meeting for two days in a row with his National Security Council, Reagan last week called upon the 1,500 American citizens now living in Libya to leave "as soon as possible" and invalidated American passports for travel to that country. The President and his advisers considered other punitive steps, possibly including an embargo on the shipment of Libyan oil to the U.S. *(see following story)* Administration officials stressed that U.S. policies toward Libya had been under review since the summer; they also admitted that the reports of Libyan hit teams had forced them to speed up their deliberations. Said one senior White House aide: "We might not quite have been at this point yet."

Exactly what proof of the Libyan hit teams did the Reagan Administration have? Details remain sketchy, since the White House refused to make its evidence public. But this much is known: shortly after U.S. pilots downed two Libyan jets in a dogfight over the Gulf of Sidra last August, the Central Intelligence Agency passed word to the White House that it had learned of a Gaddafi plan to kill the President. The report was duly noted by U.S. security officials, but was never made public. Unverified reports of assassination plots against Presidents are fairly common, and are usually dismissed after brief investigations. But during the fall, and especially in the past three weeks, reports from different sources about a Libyan-inspired assassination attempt began to multiply. There was no single informant, as was originally reported; rather, the stories came from at least a dozen sources, ranging from informants who had picked up talk of a plot to spies who worked directly for the CIA.

The findings of the intelligence agencies were documented in a 40-page National Security Council report and presented to top White House aides at the beginning of December. The NSC study listed the names of twelve to 14 alleged members of the hit teams and included brief descriptions of some of the suspects. One informant had originally given U.S. officials the names of ten persons he knew had been trained for the assassination. As U.S. agencies began tracking down sources and pumping them for information, the total and the names kept changing. Conclusions about the suspects were couched in the ever murky language of the world of crime and spies: "reason to believe." The White House had no way to be certain of the reliability of the information, but it finally did conclude that there was indeed "reason to believe." As one White House official put it, "You've got to have some confidence in the CIA. You can't ignore the evidence."

The testimony of one informant stood out. Offering extensive detail that seemed to parallel other reports, he said that Gaddafi had ordered the assassination of several top American officials if no hit team could reach the President. With that, security was greatly increased not only for the President but for Vice President George Bush, Secretary of State Alexander Haig and Defense Secretary Caspar Weinberger as well. Next, Secret Service protection was extended for the first time to Reagan's top aides: James Baker, Edwin Meese and Michael Deaver.

White House aides said it was the steady accumulation of details and incidents that gave credence to the hit-team reports. "No single informant's information is enough to warrant taking the reports too seriously," said an official. "But taken all together, the way one informant's information supports another's, you have to be convinced something is going on." U.S. intelligence officials, for ex-



"We have the evidence, and he knows it"

RONALD REAGAN

ample, started piecing some details together last September when they learned of an alleged Gaddafi plot to kill Maxwell Rabb, U.S. Ambassador to Italy. Rabb was given special protection, and Rome police arrested a suspect. Meanwhile, unconfirmed reports were circulating in France that Gaddafi was planning assaults on other U.S. embassy personnel in Europe. U.S. officials thus grew especially concerned when Christian Chapman, chargé d'affaires at the American embassy in Paris, narrowly escaped an assassination attempt in November. No suspects were arrested, but again Gaddafi was thought to be the mastermind.

Beyond that, TIME has learned the CIA has solid evidence that Libyan agents were staking out U.S. embassies in Athens and Ankara. During the past few weeks, the Libyans rented rooms in sight of each embassy and were clocking the movements of senior U.S. officials there. Security has been tightened considerably at both missions, as well as at certain other embassies around the world. In Ankara, where Haig planned to visit this week, an Administration official described the security as being in "as high a state of alert as we've ever had."

In addition, TIME has learned that U.S. intelligence agencies have reason to believe that five Libyan-trained terrorists—four Arabs and an East German—flew to Paris two weeks ago, apparently en route to Boston. The information was given to the FBI, which has refused to elaborate on it.

One especially dismaying aspect of all these reports is the prospect that either former agents of the CIA or onetime Green Berets may be involved in the plots. Gaddafi has openly hired ex-employees of those organizations to further his causes. Two notorious former CIA agents now living in Libya, Edwin Wilson and Frank Terpil (both wanted in the U.S. on charges of conspiring to sell explosives and to commit murder), are known to have supplied military and terrorist technology to Libya. More than a dozen onetime Green Berets, recruited by Wilson, have trained Libyan troops. Federal investigators are in the process of tracking down for further questioning numbers of CIA agents and Green Berets who have worked in Libya.

Secret Service man on White House roof

Agent holding Reagan's bulletproof coat

As part of its search for the hit teams, the U.S. Customs Service last week sent out descriptions and composite sketches of five of the alleged members to about 2,000 Customs and U.S. Border Patrol officials around the country. Stamped EXTREMELY SENSITIVE and running seven pages, the list includes two Iranians, a Palestinian, a Lebanese and a German. Their names: Ibrahim El Haya, Ahmed Jooma, Ahmat Abass, Ali Chafic, Luitz Schewesman. All are estimated to be between the ages of 25 and 36 save for the German, whose age is listed as "appx. 56." Besides giving a physical description of the men, each sketch mentions a habit or two. The item on Ibrahim El Haya, "appx. 36" and an Iranian, for example, said that he "often wears sun glasses. Often wears dark brown leather coat, mid thigh, belted with leather buttons. Smokes Rothman cigarettes." The memo also warned of a second, six-man squad headed by the notorious international terrorist known as "Carlos" (Ilyich Ramírez-Sánchez), who is wanted for a string of murders and kidnapings around the world. Over the years, he has been linked to the Popular Front for the Liberation of Palestine, the Japanese Red Army and West Germany's Baader-Meinhof gang.

There was one awkward error in a preliminary list of alleged members of the hit teams, which was first made public by Columnist Jack Anderson. Among the members of these death squads, about whom little biographical information was said to be available, were Nabih Berri and Mohammed Shamseddin, two well-known leaders of Amal, a Shi'ite Muslim

Additional security following the new threats: two similar presidential limousines leaving Library of Congress garage

The White House becomes convinced that "something is going on" because of the way one informant's information supports another's.

political party and militia in Lebanon that is violently opposed to Gaddafi because it believes he kidnaped and killed their spiritual leader, Imam Moussa Sadr, on a visit to Tripoli three years ago. Administration officials blamed the mix-up on a computer error and quickly corrected the mistake, but not before Anderson broadcast the wrong line-up.

The confusing array of members and numbers—Was it five men? Eleven men? One team? Two teams?—was apparently owing to the fact that a host of agencies, including the FBI, CIA and Secret Service, have been gathering and analyzing their own information. Indeed, U.S. officials could not even confirm with absolute certainty that a hit team, or teams, exists. "If we knew exactly who these people were and where they are, don't you think we would put an end to this?" said one White House aide.

Some U.S. officials were willing to back." Gaddafi may believe the U.S. wants to kill him. "He has thought since the late 1970s that we were prepared to undo him," said a CIA official. "It is the behavior of America, preparing to assassinate me, to poison my food," said Gaddafi last week. "They tried many things to do this."

On Capitol Hill, a majority of Senators and Representatives were willing to believe that the hit-team threat exists. Some Congressmen, in fact, were ready to impose sanctions on Libya even before Reagan announced the travel restriction. "The situation is serious enough to warrant the level of precautions," said Republican Senator Harrison Schmitt of New Mexico, who was briefed by the CIA. "I don't think the Administration is making it up," said Democratic Representative Albert Gore Jr. of Tennessee, who also had a CIA briefing. "There's ample evidence that this is a very real threat."

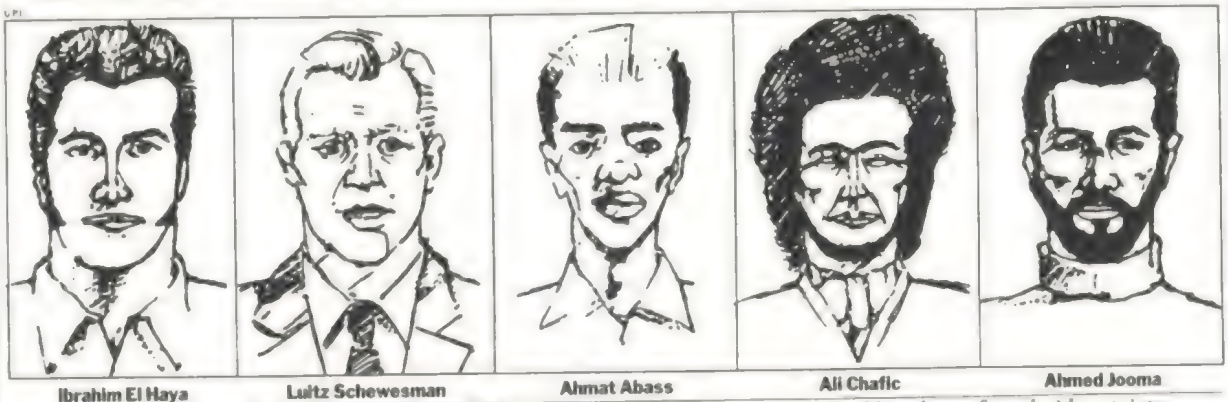
One of the mysteries about the hit team accounts was how details were gradually leaked to the press until, as Senator Dodd put it, the story began "taking on a life of its own." It first became public in mid-November, after reporters began noticing tighter security measures around Reagan and other top officials. The White House vigorously attempted to discourage news coverage of both the threats and the security precautions. Reporters seeking to confirm details of the story with Government officials were advised not to overreact. But as the days passed, the story was enhanced in tantalizing bits and pieces until what had started as rumor became a full-fledged scare. Soon the White House, FBI and Secret Service found themselves forced to react, partly in response to the publicity. Reagan thus was fanning the flames of red-hot speculation when he flatly declared: "We have the evidence."

One skeptical view in Washington is that the CIA might have wanted much of the story to become public. The motive: by portraying Gaddafi as the madman behind a presidential assassination attempt, they could justify covert action aimed at toppling the Libyan leader. Even if that theory were true, however, it did not in itself undermine the credibility of the evidence.

Whatever the source of the leaks and the motives behind them, many felt that the publicity could be dangerously counterproductive. "There are always rumors of that sort of thing," said former President Jimmy Carter. "I always felt it was better not to broadcast these things." "It could just encourage Gaddafi," argued Democratic Senator John Glenn of Ohio. "You feed his ego and make him want to do something that shows he's macho." Others feared that the publicity would build up Gaddafi's importance and win him friends among Arab nations already unfriendly to the U.S. Said Roger Fisher, professor of law at Harvard University: "We built up Castro in the same way. Why do this for Gaddafi? Why make this guy equal to a superpower?"

White House aides have been disturbed by the publicity about the hit men, and for two weeks have urged top Administration officials to try to stem the leaks from their own departments. The aides were especially upset by allegations that the leaks were orchestrated in order to build support for sanctions against Libya. Said White House Chief of Staff Baker, pointedly speaking on the record: "I want to deny as emphatically as I can that this was done as a predicate for any action that might be taken."

In their references to the Libyan leader, U.S. officials seemed to strike a ritualistic note of scorn and horror: Muammar Gaddafi* is not only a menace and a promoter of terrorism but a lunatic as well. Egyptian President Anwar Sadat used to call him "that crazy boy," but the consensus of most Middle East analysts is that Gaddafi is as crazy as a fox. To be sure, he is an erratic and irascible revolutionary, convinced of his own genius and wholly committed to spreading his own political gospel, an eccentric mix of Islam and socialism that is summed up in a three-volume work called *The Green Book*. But it is clear that he also has a broad streak of



Ibrahim El Haya | Lultz Schewesman | Ahmat Abass | Ali Chafic | Ahmed Jooma

Composite sketches, and confusion over members and numbers of hit teams whose existence could not be confirmed with certainty.

concede that the rumors might well be true but felt, not without reason, that Washington was making too much public noise about them. "There are doubts around here," said Democratic Senator Paul Tsongas of Massachusetts, a member of the Senate Foreign Relations Committee. "It's not so much whether there is evidence, but why the Administration is making such a big deal about it." Said Democratic Senator Christopher Dodd of Connecticut: "If that's all there is, we're being bombarded with a lot of hype. I need more evidence."

Even some U.S. intelligence sources admitted they had doubts about the reliability of their informants. Said one official: "Gaddafi has been a bastard for ten years. He's been making threats against the President and the U.S. for ten years. Is he serious now? There's a lot of loose talk and allegations out there. Separating that from the truth is the problem." Others believed Gaddafi's long record of making threats was reason enough to take the reports seriously. They pointed out that the unpredictable Gaddafi, faced with an increasingly unfriendly U.S. Administration, might feel he has no choice. "He is scared," said an Israeli foreign ministry official. "Therefore, he may be hitting

*The name is spelled many ways in English. Gaddafi, Qaddafi, Kaddafi and Khadafy are the more frequent variations. All are right; since the name is transliterated phonetically from the Arabic, there is no single correct English spelling. Each is an effort to capture the Arabic sound

sanity and shrewdness. "It would be a mistake to underestimate him," says a State Department analyst. "His accomplishments are not inconsiderable, and those accomplishments make him dangerous."

Gaddafi's most predictable trait is his unpredictability. "It's almost impossible to evaluate the man in rational terms," says a British diplomat. "With the coming of dawn, he may take off on a completely new tack." He is a man of mercury, quick to anger. Once when his second in command, Abdul Salam Jalloud, made a mistake, Gaddafi had Jalloud's hair shaved off. He often carries a side arm; more than once, he has lost patience and pulled out his gun, aiming it at the person who offended him.

ished secondary school with a tutor. He was devout, austere, puritanical and, from years of listening to Radio Cairo, a true believer in Arab nationalism. After graduating from Libya's military academy, he spent several months at Britain's Army Signal School; he would stride through the streets of London in flowing robes and headgear—at that time an act of prideful defiance for an Arab.

Gaddafi came to power in 1969. Then a captain in the Libyan army, he staged a bloodless coup against the country's effete, Westward-leaning monarch, King Idris. Shortly after the coup, Gaddafi proclaimed the principles of his governmental policy, which included the elimination of all foreign bases (including the American-run Wheelus Air Base near Tripoli), neutrality in foreign policy and national

Body of Mohammed Fouad Bouhjar, killed in Rome by Libyan hit team

A warning to dissidents: come home or face liquidation.

Gaddafi remains generally popular in Libya, but he has become increasingly isolated; he once wandered freely among the people but now usually stays out of sight (and rifle shot). He seldom sleeps in the same house two nights in a row, and his movements are random. When he does appear in public, he often poses and struts for the cameras in an impeccably tailored military uniform, true to his own statement of what his regime is all about: "The strong always rule."

To understand Gaddafi is to understand his heritage. Son of a nomadic livestock trader, he was born in a tent in the desert near the Libyan town of Sirte in 1942. Libya was then occupied by the forces of Italian Dictator Benito Mussolini, and its people were treated, at best, as fifth-class citizens. That bitter memory, as much as his tribal upbringing and education in Muslim schools, shaped Gaddafi. By 1956, he was organizing student groups in support of Egyptian President Gamal Abdel Nasser after the Suez crisis and the Israeli invasion of the Sinai. Expelled for starting a student strike, he finunity in a country that until then had been sharply divided along provincial and tribal lines. A year later, Gaddafi announced that not only had these objectives been met but that the minimum wage had been doubled, huge development projects had been started and oil prices had been raised. Libya today ranks among the more prosperous of Arab states with an average per capita income of $7,000.

Still, Gaddafi has failed to realize his real ambitions. He believes that he is Nasser's true heir in the Middle East and nurtures a dream of establishing an Islamic sub-Saharan republic stretching from Senegal to the Sudan. "My problem is I have no country to lead, though I am a great leader," he has complained. "He has a very clear idea of what he wants," says a U.S. Government official. "But as leader of only 3 million people, he has very unrealistic hopes of putting together a pan-Arab vision based on Nasser's dreams. He has enormous interest in power, but he can't project it in any meaningful sense."

Not that Gaddafi has not tried. "Show me one country which is stricken by the terror disease, and I will show you the Libyan connection," says Yehudit Ronen, a scholar of Libyan affairs from the Tel Aviv–based Shiloah Center for Middle Eastern and African Studies. "Gaddafi has his arm everywhere." Revolutionary movements backed by Gaddafi have ranged from the Palestine Liberation Organization to the Irish Republican Army, from Basque and Corsican separatists to the Moro National Liberation Front in the Philippines. He runs a dozen or more training camps for guerrilla warfare, with advisers supplied by East Germany and Cuba, and is reported to have a slush fund of $1 billion a year for terrorist activities alone. He allegedly tried four times to have Sadat killed, and the Presidents of Niger, the Sudan and Tunisia have all accused Gaddafi of trying to oust them.

Perhaps Gaddafi's most brazen use of force was his invasion of neighboring Chad in November 1980 in support of President Goukouni Oueddei. Barely a month later, Gaddafi declared a merger of the two countries and kept up to 10,000 Libyan troops in Chad as a virtual occupation force. Then, just as abruptly, Gaddafi removed his troops last November after the Organization of African Unity asked him to do so. But he may not stay out: much of Chad is marked on Gaddafi's own maps as part of a greater Libya that also includes sections of Niger and Algeria.

A man determined to prove his own importance, Gaddafi has suffered numerous rebuffs. They must sting. Gaddafi has attempted to work out ambitious mergers of Libya with Tunisia, Egypt and Syria. His present link with Syria is largely symbolic and may well collapse, as the others did, in recrimination. In 1973 Gaddafi ordered an Egyptian submarine, temporarily under his command in Libyan waters, to torpedo the Queen Elizabeth II, which was carrying hundreds of Jews from Southampton to Haifa to celebrate Israel's 25th anniversary. Sadat, who was then still on speaking terms with Gaddafi, countermanded the order. Over the past decade, Gaddafi has continually tried to get hold of an atom bomb—so far with no success, although Libya has two small nuclear facilities (one built by the Soviets, the other by the French) and is buying up huge supplies of uranium from Niger.

Gaddafi preaches democracy; he practices dictatorship. In April 1980, he ordered all Libyan dissidents living abroad to return home or face "liquidation." By the end of that year, at least twelve Libyans had been hunted down and murdered in England, Italy, West Germany, Greece and Lebanon by Gaddafi-anointed hit squads. Most of the victims were little-known private citizens, and it is doubtful that they posed a threat to Tripoli. Instead, their killings were presumably intended to set an example. So Byzantine are Gaddafi's methods that when Libyan Hitman Abd-

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It whispers.
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KING GEORGE
86 Proof Blended Scotch Whisky. © 1981 The Paddington Corp., NY

el Nabih Swaiti, who was tried and convicted for attempting to kill a Libyan exile in Rome last June, was found dead of a heart attack in his jail cell two weeks ago. Gaddafi was immediately suspected of being behind his death. The reason: Swaiti may have been poisoned first. An inquiry is now under way. Suspicions also linger that Gaddafi was behind the attempted murder last year of a Libyan dissident in Colorado: Eugene Tafoya, a former Green Beret and a friend of onetime CIA Agent Wilson, was convicted of third-degree assault two weeks ago for the shooting.

Of greatest concern to the U.S. and its allies has been Gaddafi's links with the Soviets. Over the past ten years, Gaddafi has purchased $12 billion worth of Soviet tanks, aircraft, artillery and other military hardware. Some 2,000 Soviet military advisers are now stationed in Libya. In an interview last week with the Italian newspaper *Corriere della Sera*, Gaddafi called the Soviet Union a "friend" and the U.S. a "devil." Said he: "America does not have friends, but only slaves. We refuse to accept slavery and are therefore considered enemies." Yet most analysts feel that Gaddafi is not a Soviet pawn. He has refused to allow the U.S.S.R. to have a military base in his country. "I suspect that the Soviets are in no better position to understand Gaddafi than the Americans or the Europeans," says an Israeli intelligence expert.

Gaddafi has had a long and complicated relationship with the U.S. TIME has learned that as a young officer in King Idris' army, he became friendly with an Arab agent of the CIA known as Charles Boursan, who apparently reported to his superiors in London that Gaddafi was a young leader of promise. There is no evidence that the agency encouraged Gaddafi at any point, but it seems clear that Gaddafi was intrigued by and attracted to the kind of rough-and-tumble, Marlboro-loner cowboy American who occasionally worked for the CIA in the Arab world, and who more commonly represented the smaller oil companies in the area. Representatives of the oil firms with interests in Libya insist that Gaddafi has always treated them with courtesy and respect, even as his political relations with the U.S. plummeted.

These relations were virtually broken off when a mob sacked and burned the U.S. embassy in Tripoli in December 1979, ostensibly to show support for Iran's Ayatullah Khomeini. The following spring, President Carter expelled four Libyan diplomats who were accused of threatening anti-Gaddafi students and exiles in the U.S. Then, after the embarrassing disclosure that his brother Billy had accepted $220,000 in loans from Gaddafi's government, Carter launched a State Department study of U.S. relations with Libya.

Convinced that Gaddafi was not only a Soviet client but a man who sought to overthrow pro-Western regimes in Africa and the Middle East, the Reagan Administration stepped up the study of diplomatic and military options. Meanwhile, Gaddafi was quietly trying to repair his frayed relations with Washington. He sent Reagan a message of congratulations on his Inauguration; no reply was made. In May, the Administration ordered the closing of the Libyan "people's bureau" (as Gaddafi had renamed his embassy in Washington) and the expulsion of its remaining diplomats. Reason: "Libyan provocations and misconduct, including support for international terrorism."

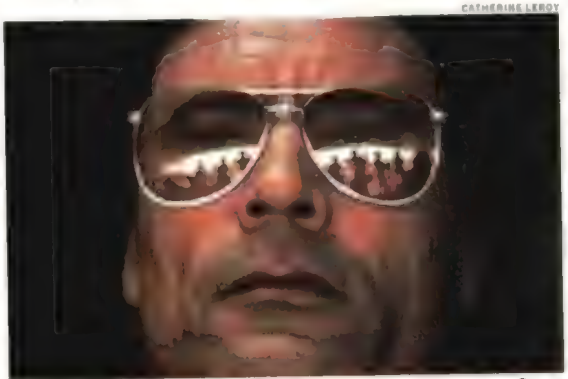
Gaddafi asked Washington to reopen the embassy and even offered to pay for the rebuilding of the burned U.S. embassy in Tripoli. Washington refused. Gaddafi made several subsequent overtures, but was rebuffed each time. The Administration wanted not only payment in cash for the embassy damages and an apology from Gaddafi (who refused, because he claimed that he had not sanctioned the attack) but also the release of a Libyan national who had worked at the Tripoli embassy and had been jailed by Gaddafi on charges of spying.

In late July, a Libyan group called the Free Unionist Officers threatened a campaign of "physical liquidation" against Americans, including President Reagan. Then, in mid-August, came the attack by two Libyan SU-22 fighter planes against a pair of U.S. F-14s as they flew over the Gulf of Sidra during a naval exercise by the U.S. Sixth Fleet in disputed waters that Libya had long claimed as part of its territory. The U.S. planes downed the Libyan jets.

In September, Gaddafi dispatched an envoy, Ahmad Shahati, to Washington with a personal message of reconciliation to Reagan. But U.S. intelligence officials had begun to receive reports that Libyan hit teams were out to kill Reagan. By the time U.S. Chargé d'Affaires Chapman narrowly missed being assassinated in Paris in November, Washington had made up its mind about Gaddafi's true intentions. As Haig put it: "I think it underlines the urgency of dealing with the problem [Gaddafi] in an effective, prudent, unequivocal way."

To some students of Gaddafi's elusive persona, it is no great surprise that he would send hit teams in pursuit of a powerful American President who had spurned him. "He feels justified in using terrorism and is able to justify his excesses because of the deprivations of his people during his youth," says a U.S. Government official. "He feels very menaced, and he will strike out at a superpower. It is difficult for a person like that to see the results of his actions. It is all mixed up with his image of himself as a victim, someone persecuted and hounded."

If that analysis of Gaddafi is sound, the desert denizen who sees himself as the slighted messiah of a scorned nation may have launched a frightful new era in modern-day terrorism. To be sure, the 20th century does not lack for examples of political murder. But the threat of assassination of a head of government may now have been elevated by Gaddafi, in an era of worldwide terrorism, to a conscious act of statecraft by a sovereign nation. "For years after World War II, heads of state were considered off-limits to assassination teams," observes Paul Wilkinson, professor of international relations at Aberdeen University, Scotland. "If the reports are true, we are being faced with a sinister new development."


CATHERINE LEROY

Gaddafi behind glasses: can he see the results of his actions?

Excesses justified by the deprivations of Libya's people.

Indeed, some analysts see in hit teams an entirely new form of international belligerence. Says Gaddis Smith, chairman of Yale's history department: "If one places any emphasis on the legal definition of war, this would be an act of war, just as surely as dropping bombs on a country." Others view the notion of hit teams as an inevitable escalation in the level of terrorism of the past few years. "It's ironic that in this day, this era, people are surprised," says Ray Cline, executive director at Georgetown's Center for Strategic and International Studies. "As an educational exercise for the American public, I suppose it [the story of the hit teams] may be a good thing. It will alert Americans to the number of violence-prone governments that would have no hesitation in putting out a contract on others."

The American people were indeed alerted last week. They could only hope that they would never grow accustomed to the thought that their elected leaders would have a permanent new peril to face: murder by contract, ordered from abroad. —*By James Kelly. Reported by Douglas Brew/Washington and Adam Zagorin/Beirut*

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Night view of the money machine behind Gaddafi's adventurism: a petroleum refinery and shipping terminal at Mersa Bega

Some Sanctions That May Not Work

The American leverage on Gaddafi is distressingly limited

The Administration has been itching to move against Muammar Gaddafi almost since it took office. Indeed, one of Ronald Reagan's first, unpublicized, actions as President was to order a speedup in studies, already under way, on what could be done to punish the Libyan strongman for his support of global terrorism and brand him an international outlaw. As early as June, says one State Department official, the National Security Council was formally considering ways that the U.S. could put pressure on Libya. That was a good five months before the first public hints that Libyan hit teams might have been dispatched to assassinate Reagan. In a sense, the real question was not whether the Administration would take punitive action against Gaddafi, but when and how.

Administration officials contended that last week's announcement of a ban on American travel to Libya and the request that 1,500 U.S. citizens in that country leave immediately were not direct responses to the hit team reports. Instead, they said, the American actions should be seen as a response to Libya's long history of "lawless behavior." The President also dispatched a letter to Gaddafi through a third party. The assumption was that Reagan warned the Libyan of further steps to be taken if he continued in his overt advocacy of terrorism.

One such step is easy to predict. After the technicians are out, Reagan will almost certainly order an end to all American purchases of Libyan oil. That move might be combined with new restrictions on the export of U.S. products like machinery to Libya (an embargo against American arms shipments has been in effect since 1973). Other options that have been discussed, but shelved, range from a total embargo on U.S. exports to Libya to orchestration of a worldwide boycott of Gaddafi's oil to the last resort: military action.

Nonetheless, U.S. leverage on Libya is distressingly limited. The steps that the U.S. is starting to take on its own are unlikely to do much more than annoy Gaddafi a bit; some might even boomerang to his advantage. Any moves that might seriously discomfort Gaddafi would require the cooperation of European allies, which they almost certainly will not give. Indeed, at a NATO meeting in Brussels last week, the allied Foreign Ministers flatly rejected a request by Secretary of State Alexander Haig for their "understanding and support" of the American position. French Foreign Minister Claude Cheysson openly scoffed at Haig's summation of the Libyan terrorist threat. Said he: "The Secretary appears to have convinced himself." Indeed, France took the occasion to announce that it intends to resume normal relations with Libya because it no longer considers Gaddafi a subversive international force.

Libyan oil tanker anchored in the Gulf of Sidra

Exports could slip through a boycott with ease.

Any possible pressures on Libya obviously must focus on oil. Until the discovery of petroleum there in the 1950s, Libya was an unimportant backwater in world affairs: a country of mostly nomadic Bedouin tribesmen (current population: 3 million) scattered across 679,000 sq. mi. of desert. Today, Libya's estimated oil reserves (23 billion bbl.) and its production capacity of 2.1 million bbl. a day put it in the middling rank of oil producers, about on a par with Venezuela. But much of Libya's oil is "sweet" crude, known in the trade as Saharan 44, which is prized because of its low sulfur content. That fact and the country's proximity to major markets in Europe has led Libya to charge a premium price for its crude: currently $37.50 a bbl., *vs.* an OPEC average of $34. Oil revenues, which reached a peak of $22 billion in 1980 enabled Gaddafi to buy enormous quantities of Soviet arms, menace such neighbors as Tunisia, Chad and the Sudan

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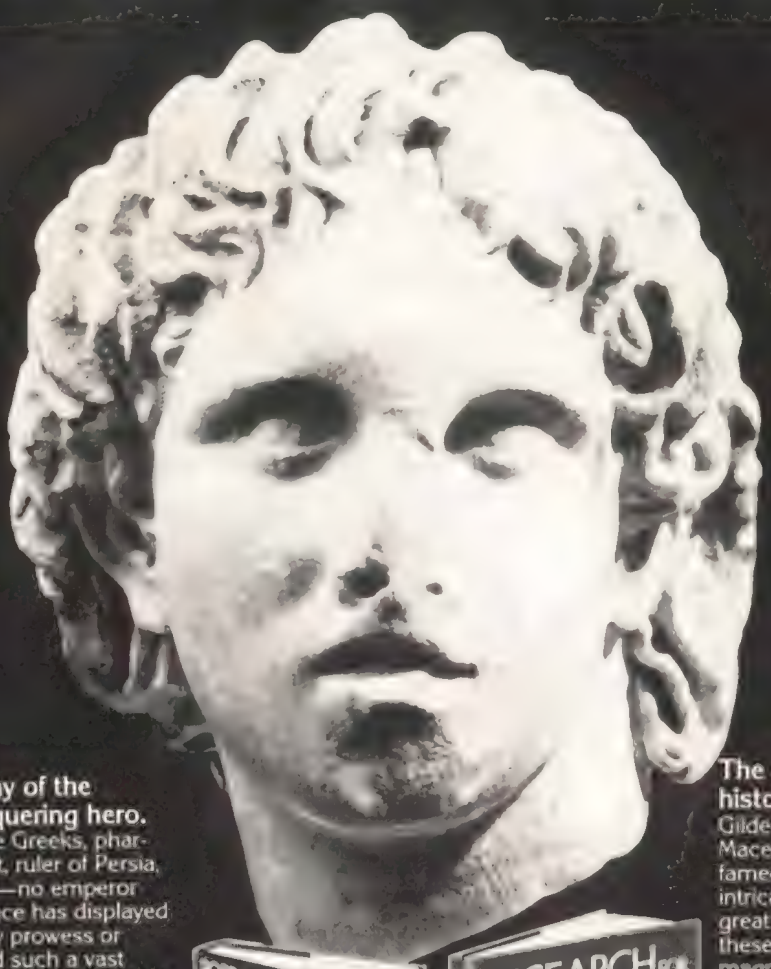

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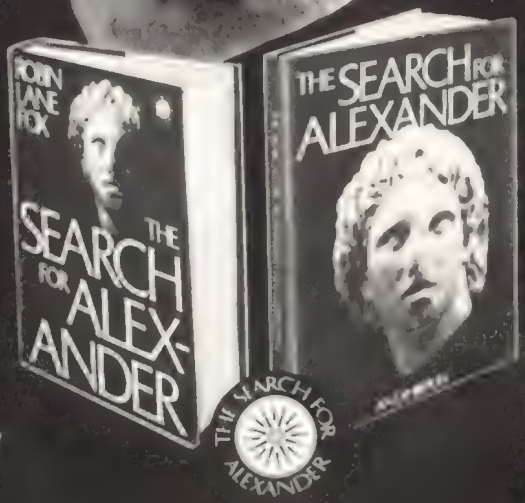

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Size alone has forced the baby boom generation to get used to a lot of things, like standing in line. Experts predict that, for baby boomers, the 80's will continue to be a time of limited promotions, frustrated expectations, and job-hopping. While many baby boomers have resigned themselves to waiting, many more are turning to other alternatives.

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with threats of military intervention, and train Libya's terrorist squads.

At first glance, Gaddafi might now seem vulnerable to pressure. Libyan oil production has sunk to 800,000 bbl. a day, less than half the level of 1980, primarily because Gaddafi has insisted on charging higher prices than buyers are willing to pay at a time when the world market is awash in surplus oil. Italy, which bought 12% of its oil from Libya early this year, has not purchased a drop in the past two months. The American companies that pioneered the development of Gaddafi's oil and still pump more than half its crude are downgrading Libya too. Exxon announced in November that it would stop all production in Libya and turn over its remaining holdings to Gaddafi, without disclosing what compensation it would get, if any; Mobil has suspended output while reportedly bargaining with Gaddafi to let it charge a lower price on the Libyan crude it sells. Their moves leave five major U.S. companies with active production facilities in Libya: Amerada Hess, Conoco, W.R. Grace, Marathon Oil and Occidental Petroleum.

Neither the companies nor their Libyan-based employees appear to share the Administration's belief that American lives have been endangered by Gaddafi's behavior. Deputy Secretary of State William Clark, in a cable to American oil executives, urged them to "facilitate the departure of your U.S. citizen employees [in Libya] as rapidly as possible" and hinted that Reagan might try to force them to do so if they did not cooperate voluntarily. The President, said Clark, "is prepared to use other legal authorities available to him if that is what is required to bring about the withdrawal of U.S. citizens from Libya." For example, the Government could make it difficult for companies to transfer any money to Libya, and thus to pay the salaries of any employees who might remain.

Summoned to a meeting at the State Department last Friday, oil executives seemed less than pleased with the Administration's request for cooperation. They questioned the value of the move, were angered by the thought that their remaining holdings in Libya might be nationalized, and vexed that they had not been consulted, although they believe they know Libya as well as anyone in the Administration does. Said one: "We'll go along, but not with godspeed or good wishes." At the Los Angeles headquarters of Occidental Petroleum, Vice President Gordon Reece said Occidental is "laying on transportation" for those of its 194 employees and their dependents who choose to leave. But he added that the company is not urging them to go, merely communicating Reagan's wish that they do so. Another oil company that is leaving the initial choice to its employees estimated that if all decide to depart, it would take a few weeks to bring them out of Libya because the company would first have to arrange an orderly transfer of their jobs to Libyans or other foreign technicians.

In Libya, Barbara Devine, a teacher at a school that the oil companies run for the children of their American employees, said: "I feel absolutely safe here and I always have. We're teachers and our lives are invested here."

Nonetheless, trying to get the technicians to pull out was a logical first step in any series of pressures. So long as they remain in Libya, any further American action against Gaddafi might prompt him to hold them hostage—and the searing memory of the interminable crisis with Iran haunts the Administration. Says Republican Congressman John LeBoutillier of New York: "I think we had better get them out now before we face another Ayatullah hostage situation." Reaganauts are all too well aware that the Carter Administration faced sharp criticism for not pulling most diplomats out of Tehran when U.S.-Iranian relations soured, and that they would be even more roundly condemned if they left Americans in Libya to face Gaddafi's wrath against any future moves. In fact, the Administration has already staked out a position to guard against a reprise of the Iranian crisis. In keeping with Reagan's Inaugural Day promise that he will not negotiate with terrorists, the Administration might let it be known that Americans who remain in Libya do so at their own risk and that the U.S. will not bargain for their release if they are taken hostage.

Clark briefing reporters on pullout of oilworkers

Libya could replace them but not hold them hostage.

Withdrawing the technicians will have little or no permanent impact on Libya. If the country were producing crude oil at rates close to capacity, a sudden exodus of American oilworkers might cripple output. But oilmen say that Gaddafi can maintain the current reduced rate of pumping by relying on the expertise of European and other foreign technicians already working in the fields. Echoing a unanimous view in the industry, an oil expert in London argues that if Libya decides to increase production, "Gaddafi can hire all the technicians he wants in Western Europe." Nor is that his only choice. Dan Lundberg, editor of an authoritative U.S. oil-industry newsletter, predicts that the pullout of U.S. technicians will "create an immediate influx of planes full of you know who"—meaning Soviet oil experts. Even one U.S. diplomat concedes: "In the long run it is silly to think we will cause [the Libyans] real grief" by withdrawing the oilworkers.

The Reagan Administration has at least one compelling argument for ordering a cutoff of U.S. purchases of Libyan oil. Even though imports of Libyan crude have declined sharply, from 700,000 bbl. a day in 1977 to 150,000 today, the U.S. will have paid around $5 billion in 1981 to Gaddafi for petroleum, and thus will indirectly have helped to pay for his international adventures. An embargo of Libyan crude would have little effect on U.S. oil and gasoline consumers. Libya now supplies a mere 3.5% of U.S. oil imports and barely 1% of total American petroleum consumption. Its oil could easily be replaced, most directly by development-hungry Nigeria, whose sweet crude is of a quality similar to Libya's. Even if Gaddafi retaliated by nationalizing the 49% of U.S. oil holdings in Libya that he has not already taken over, the companies would not be too badly hurt. A spokesman for Occidental Petroleum, the U.S. company most dependent on Libya, points out that "Oxy" gets only 10% of its profits ($710 million last year) from selling Libyan crude.

Reagan has admitted that a unilateral U.S. boycott of Libyan oil would have little impact. In October he rejected a suggestion by Richard Nixon that the U.S. stop buying Libyan oil on the ground that such a boycott "would have to be worldwide. No one country could affect [the Libyans] by having a boycott." He added that "plenty of other customers" would line up to buy Gaddafi's oil. Reagan was right. According to one European oilman, "Gaddafi could sell all he wants" in Western Europe, which already purchases nearly all the Libyan crude that the U.S. does not take. Indeed, some oil

officials speculate that an American boycott might actually do Gaddafi a favor. It would give him an excuse to cut Libya's price without losing face in OPEC, where he has been a leading price hawk, and maintain or even increase his oil revenues by boosting sales to Europe.

American chances of talking the Europeans out of buying that oil are close to zero. The French are so upset by talk of a boycott that they give the impression they would help Gaddafi to circumvent one. The reaction of Italy, a reliable ally in most other matters of foreign policy, is particularly disappointing to the U.S. Says one American official: "We maintain an extremely close relationship with Italy on everything under the sun—except Libya." An official in the Italian Foreign Ministry confirms: "We must commit ourselves to a permanent and significant relationship with the Libyan people, economically, politically and all the rest."

One reason is frankly commercial: Italian exporters have more than doubled their sales to Libya this year, to almost $3 billion in the first nine months of 1981, and are anxious to keep Gaddafi's business. Italian oil companies seem ready to send technicians to Libya to replace the departing Americans, and to buy Gaddafi's crude again when the price comes down.

The Europeans, however, have other reasons for arguing against a boycott of Libya. The British are convinced that economic sanctions simply do not work, and as proof point to their own bitter experience with the former rebel colony of Rhodesia. For 15 years beginning in 1965, London tried to shut off oil shipments to the white supremacist Rhodesian regime of Ian Smith and sought to block Rhodesian exports of chromium from reaching world markets. The United Nations voted in 1966 to make those economic sanctions binding for all members, yet Smith had little trouble buying oil and selling chromium by dealing through intermediaries.

Libyan oil, say British and other European experts, could slip through a boycott—into Europe, if not the U.S.—with equal or greater ease. Even now, much Libyan oil is sold not under contract but in single deals on the "spot" market, where it is often mingled with crude from other countries. It is so difficult to trace that no one can say with certainty just which nations are currently receiving the roughly 650,000 bbl. a day of Libyan oil going to Western Europe, though West Germany is known to be a heavy buyer. British officials believe that a U.S.-European boycott of Gaddafi's crude could be enforced only by a naval blockade of the Libyan coast, which the Reagan Administration is hesitant even to discuss because it might lead to a superpower confrontation with the Soviet Union.

European governments think that even if successful, a boycott of Libyan oil and a reduction in exports to Libya would do more harm than good. In a seemingly definitive statement of British policy delivered in the House of Lords last week, Lord Trefgarne, an Under Secretary of State in the Foreign Office, asserted: "We do not believe that the way to make our views known would be to boycott or isolate Libya. We believe it to be more effective to encourage the Libyans to adopt acceptable policies by maintaining a dialogue with the Libyan government and trying to develop as near-normal relations as possible."

French officials make the same point. In their view, Libya is not yet a satellite of the Soviet Union, but cutting it off from commercial contacts with the West might turn it into one, by forcing Gaddafi to rely on the U.S.S.R. for money and technical help as well as arms. Officials in Paris insist that Gaddafi, although often annoying and unpredictable is at times amenable to reason. French diplomats pride themselves on having helped persuade Gaddafi last month to pull his troops out of Chad. Doubtless other factors were involved. Libya was reportedly beginning to suffer casualties in a guerrilla war that Gaddafi's falling oil revenues might have made difficult for Libya to sustain. Moreover, Gaddafi is scheduled to be the host of the next Organization of African Unity meeting in July, and many analysts assume that he may have withdrawn from Chad to avoid embarrassing questions about the occupation. But the French contend that they could never have mediated a Libyan pullout if they had not maintained a wide range of commercial and diplomatic contacts with Gaddafi.

Another European worry is that heavy U.S. pressure on Gaddafi might enable him to become what he has always wanted to be: the successor to Gamal Abdel Nasser as a popular symbol of defiant pan-Arab nationalism. At present, Arab governments generally regard Gaddafi with a mixture of fear and derision. Libya's only real friend is Syria.

The attitude of Arab governments might not change, but European leaders fear that a U.S. embargo on commercial dealings with Libya might make Gaddafi a popular idol to Arab masses as a man who had stood up to a capitalistic superpower. That view is heard even in Egypt, which under late President Anwar Sadat came close to war with Libya. Says Mustafa Khalil, an adviser to Sadat's successor, Hosni Mubarak: "I don't think an economic boycott ever succeeds, and it will make a hero of Gaddafi, at home and with the Arabs aligned with the Soviets. A man like Gaddafi always wants and needs a foreign enemy to strengthen him."

Czech jets land during recent commemoration of 1970 U.S. departure from Wheelus Air Base

Oilmen will go along with a new exodus, but not with godspeed or good wishes.

The counterargument is that the U.S. has tried patience and reason for years, and Libyan aggression keeps growing. But what then should the U.S. and its allies do? The London *Times*, in an editorial known to reflect the views held by the British Foreign Office, offered some advice—tough responses to specific provocations. Argued the *Times*: "If hit squads are at large, they should be apprehended, tried and sentenced. If people with diplomatic status [*i.e.*, Libyan representatives] are abusing it to aid and abet crime, they should be promptly expelled ... Of course, if Libyan forces attack any country, it is entitled to shoot back, as the United States did in the Gulf of [Sidra] last August." Otherwise, sums up one British diplomat, the U.S. should "leave Gaddafi to stew in his own oil glut, thus demonstrating to the Arab world that the greatest power on earth does not need to prove its virility by getting into a slanging match or military confrontation with a tin-pot dictator." Richard Helms, one-time director of the CIA, puts the issue even more pungently: "What kind of country are we to be scared to death by a pipsqueak in the Libyan desert?" —***By George J. Church. Reported by Laurence I. Barrett/Washington and Frank Melville/London with European bureaus***

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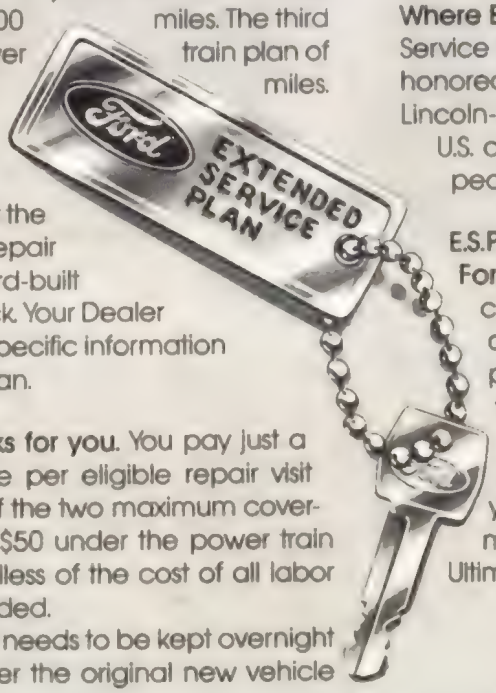

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Caught in a Riptide of Red Ink

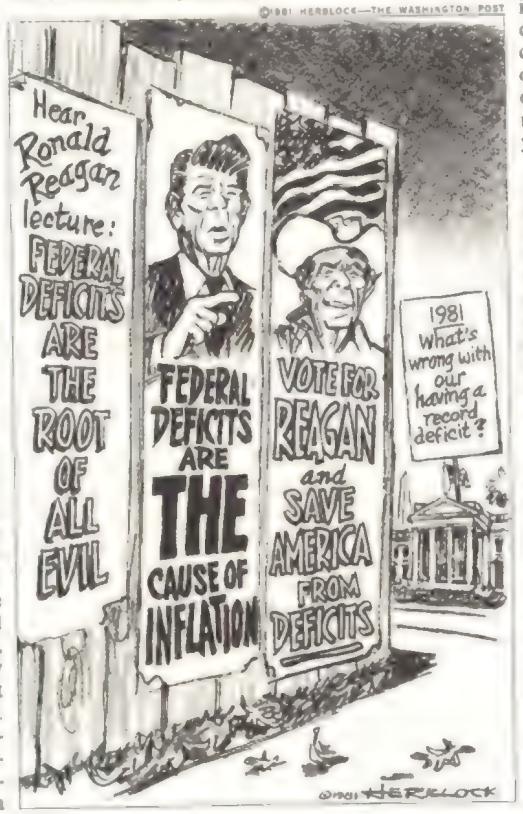
Despite Reagan's victories, his budget is out to sea

Just as Ronald Reagan was persuading a recalcitrant Congress to make one more $4 billion cut from fiscal 1982 spending, a sour note was sounded. It was not another anguished cry from those objecting to the pain of the budget knife, although that crescendoing chorus was heard too last week, but a warning from his own economic lieutenants. The economic crusade, they said, suddenly seemed seriously off course, inexorably headed toward the largest deficits in the country's history.

According to the projections brought to the Oval Office, the deficit for fiscal 1982 may reach $109.1 billion. This would dwarf the previous record of $66 billion under President Ford in 1976, which was the last full fiscal year during a Republican Administration. Worse yet, Reagan's package of $283 billion of tax reductions and $130 billion in budget cuts, combined with the lingering effects of the current recession, threatened to produce a total deficit of $423 billion over the next three years. When he first proposed his radical program last February, Reagan said that the plan's supply-side stimulus would result in about a $40 billion deficit for 1982 and a small surplus by 1984.

Murray Weidenbaum, chairman of the Council of Economic Advisers, joined with Budget Director David Stockman to counter Treasury Secretary Donald Regan's objections to using more pessimistic forecasts of economic growth in preparing the projections. Then Weidenbaum and other Administration officials tried, somewhat implausibly, to downplay the traditional Republican view that deficits lead to spiraling prices. "There is no direct or indirect connection between deficits and inflation," CEA Member William Niskanen told a stunned audience at a seminar sponsored by the conservative American Enterprise Institute. The Administration's new contention that deficits need not inhibit business expansion seems shaky at best. The tax cuts were designed to provide a pool of private savings that could be used for new investments. But the Government borrowing necessary to fund the projected deficits threatens to soak up every nickel and more.

Democrats ridiculed the Republican revisionism. Said House Budget Committee Chairman Jim Jones: "If someone in the Carter Administration had said that cumulative three-year deficits of $400 billion don't matter, Republicans would have called for his impeachment." In fact, Republican Congressman Trent Lott of Mississippi almost did just that last week, calling on the White House to demand that Niskanen be fired. And the Republican Senate passed a resolution asking the President to present a plan to balance the budget by 1984. The White House quickly announced that the opinions expressed by the top economic advisers were not those of the President. As Reagan said in his first economic speech last February: "We know now that inflation results from all that deficit spending."



Not much can now be done to alleviate the 1982 deficit. The final battle on spending limits was concluded last week when Congress made one last $4 billion trim. In doing so, Congress settled a dispute with the President over roughly $2 billion in controversial cuts, which had caused Reagan to veto a spending resolution last month. Democrat Sidney Yates of Illinois could not resist taunting House Republicans: "Instead of having a deficit of $109 billion, you'd have a deficit of $107.5 billion." The new "continuing resolution" allows the Government to operate while the final appropriations bills are being written.

Partly to discomfit the victorious Republicans, the House Democratic leadership forced a separate vote on foreign aid, which has been funded for the past three years by continuing legislation designed to avert a showdown on the issue. Reagan had to line up support from a majority of Republicans, who generally vote overwhelmingly against foreign aid, to get the bill passed.

The struggle over the fiscal 1983 budget, the first version of which is due to be submitted next month, is already under way. Stockman has been urging draconian cuts in domestic programs, perhaps so Reagan can later ask for lesser, though still hefty, reductions without seeming hardhearted. Cabinet officials have begun to declare their dismay publicly and most are taking their protests to the President instead of acquiescing to Stockman's demands. Congress also is almost certain to balk. Says Joseph McDade of Pennsylvania, a savvy Republican on the House Appropriations Committee: "We'll not see a repeat next year of what we saw this year."

For the moment, the White House plans to forge ahead with efforts to find further feasible cuts in domestic programs. Many of the President's frustrated top advisers, including Stockman and Chief of Staff James Baker, hope that once Reagan has slashed as deeply as he can, he will reconsider some of the economic options he has to this point adamantly ruled out. One would be raising taxes, perhaps by proposing new excises on cigarettes and liquor, or by accompanying the deregulation of natural gas with a windfall profits levy that could produce $20 billion a year. New York Congressman Jack Kemp, a firm believer in the tax reductions, charges that his lapsed protégé, Stockman, deliberately concocted the frightening deficit forecasts and made them public in order to necessitate such action. Another route would be for Reagan to seek a palatable way to curtail the inflation-based increases in entitlement programs, although he will find it all but politically impossible to touch the granddaddy of them all, Social Security. Finally, he may be forced to revoke the dispensation he has granted to the Pentagon, which last week almost casually requested $6 billion more for 1983 to speed delivery of two nuclear aircraft carriers. The increase in defense spending over five years requested by Reagan is $181 billion.

The riptide of red ink and the resistance to further domestic cuts make it clear that Reagan can hardly dent the deficits merely by cutting social spending. It is becoming evident that his goal of reducing taxes, raising military spending and balancing the budget is no less difficult to achieve than many of his sharpest critics claimed. —*By Walter Isaacson. Reported by David Beckwith and Neil MacNeil/Washington*

The Nixon Years Revisited

Ehrlichman recalls tippling, racism and Kissinger's complaints

John Ehrlichman once asked Richard Nixon to cut back on his drinking. That was easy compared with what Nixon asked Ehrlichman to do: persuade Henry Kissinger to see a psychiatrist.

Domestic and political oddities abounded in the Nixon White House, at least as recalled by Ehrlichman, 56, in his third book, *Witness to Power*. The catty memoir will not be in bookstores until next month, but newsworthy tidbits began surfacing last week after the publisher, Simon & Schuster, sent advance galley proofs to 22 friends and journalists who might supply prepublication blurbs.

Most of the press attention centered on Ehrlichman's claim that Chief Justice Warren Burger "on several occasions" attended White House meetings at which "Nixon, [Attorney General John] Mitchell and I openly discussed with the Chief Justice the pros and cons of issues before the court." The topics, contends Ehrlichman, included school busing at a time when the issue was about to come before the Supreme Court. While Nixon apparently stressed his anti-busing views to Burger, the Chief Justice clearly was not swayed. He ended up writing a pro-busing opinion in the North Carolina case then pending. Still, any out-of-court discussions about a case by a Supreme Court Justice would be a substantial breach of judicial ethics. A spokesman for Burger said the Chief Justice would not comment on allegations from "former litigants."

Ehrlichman, a convicted Watergate co-conspirator, took meticulous notes on White House and other high-level meetings. His account includes devastating characterizations of many of the people around Nixon. Burger had "aggrandizing tendencies" and wanted to give an annual "State of Justice" address to Congress, Ehrlichman writes, with prime-time television coverage similar to that of the President's State of the Union speech. Vice President Spiro Agnew, in Ehrlichman's view, "wasn't too bright." Gerald Ford "had achieved his maximum potential in the Congress. When he became President, he exceeded it obviously."

Ehrlichman describes Kissinger and his wife Nancy as "the tenders of a flame: the historical reputation of Dr. Henry Alfred Kissinger, the Nobel laureate. They stand four-hour shifts, alert to attack, shielding the flame with their bodies and souls." Actually, Ehrlichman contends, Nixon became so tired of Kissinger's frequent threats to resign and his National Security Adviser's continual denunciations of Secretary of State William Rogers that he considered firing Kissinger.

Kissinger on one occasion called Rogers "a positive danger to the peace of the world." On another, Ehrlichman claims, "Henry arrived at a meeting wearing that most solemn expression he reserved for discussions of his resignations. 'I shall return to Harvard,' he said." When Ehrlichman asked what was wrong, Kissinger is quoted as replying, "It's Rogers, of course . . . I've discovered he has been holding policy meetings on the Middle East over at the State Department. That I cannot tolerate."

Finally, Ehrlichman writes, "Nixon wondered aloud if Henry needed psychiatric care," and urged, "Talk to him, John." Added Ehrlichman: "I could think of no way to talk to Henry about psychiatric care. I had no confidence that that was what would help Henry, nor could I bring myself to confront Henry with the President's apparent lack of confidence in his mental stability."

Ehrlichman depicts Nixon as deeply resenting all the attention Kissinger was getting in the press. One reason for installing his secret recording system, Ehrlichman quotes Chief of Staff H.R. ("Bob") Haldeman as telling him, was to prove to future historians that Nixon, not Kissinger, had conceived and directed his Administration's foreign policy initiatives.

The author

Ehrlichman claims that the Nixon policies were often designed to appeal to racists. "That subliminal appeal to the antiblack voter was always in Nixon's statements and speeches on schools and housing, and it always bothered me." More specifically, he contends that "Nixon said he believed America's blacks . . . were genetically inferior to whites." But he quotes Nixon: "We should still do what we could for them, within reasonable limits, because it was right to do so."

Recalling the unsuccessful attempt to unseat California Governor Edmund ("Pat") Brown in 1962, Ehrlichman says Nixon made his celebrated morning-after declaration ("You won't have Nixon to kick around any more") because he was suffering from a terrible hangover when he barged into a press conference. Ehrlichman also claims that when he was asked to join the 1968 presidential campaign staff, he said he would do so if Nixon would curtail his tippling. Ehrlichman contends that Nixon agreed, and kept the unusual bargain.

Chief Justice Burger and President Nixon sharing a platform in 1969

But an annual prime-time "State of Justice" address was a bit much.

Ehrlichman adds to the J. Edgar Hoover legend by recalling that Hoover once informed Nixon that his agents had come across a report that Haldeman, Ehrlichman and another White House aide, Dwight Chapin, were homosexual "lovers." The FBI dug into the rumor, Hoover told the President, and turned in a report proving that it was unfounded. Ehrlichman suspected that Hoover manufactured the rumor so as to win White House favor by disproving it.

The wily Hoover, Ehrlichman writes, regaled Nixon and Mitchell during a dinner at the FBI director's home with anecdotes about "bag jobs" in which his agents entered private homes and offices without warrants. When his guests did not protest, Ehrlichman surmises, Hoover felt he had tacit approval to continue the illegal acts.

Ehrlichman somewhat melodramatically recalls how the long Watergate ordeal affected him. Standing in the pilot's cabin aboard Air Force One on a trip with Nixon, Ehrlichman momentarily considered a quick solution: "I could end everyone's troubles by throwing myself against the controls, wedging myself between the pilot's control yoke and the pilot. We'd all be gone in about a minute and a half." Some of the unfortunate former officials portrayed in *Witness to Power* may wish that Ehrlichman had not dismissed the idea.

—*By Ed Magnuson*

Now, a New Probe of Donovan

Did the FBI withhold evidence at his confirmation hearings?

When Raymond J. Donovan was confirmed as Secretary of Labor by the Senate last February, Utah Senator Orrin Hatch called his nomination "one of the most rigorously scrutinized in our country's history." Perhaps so, but the information given to Hatch's Labor and Human Resources Committee by the FBI and the Justice Department is turning out to be curiously incomplete. Indeed, the Justice Department last week opened a new investigation into old charges that Donovan was present when officers of the New Jersey construction company that he partly owned allegedly paid a bribe to a union leader. The new probe, launched by Attorney General William French Smith at the urging of Brooklyn Prosecutor Thomas P. Puccio, is the first step required under the 1978 Ethics in Government Act to determine whether the Justice Department must appoint a special prosecutor to examine the evidence against Donovan.

Under scrutiny is an allegation by Mario Montuoro, a former official of New York City's Local 29 of the Blasters, Drillers and Miners Union, many of whose 400 members work for Schiavone Construction Co., where Donovan was an executive vice president in charge of labor relations. In the autumn of 1977, Montuoro contends, Donovan was present at a New York restaurant when another Schiavone official gave $2,000 to the local's president, Louis Sanzo, in a successful effort to prevent trouble with the union.

The accuser, Montuoro, has obvious credibility problems. He has been convicted of possession of heroin and firearms. He has worked near explosives on tunnel-digging jobs for so long that he does not hear well. But jurors tend to believe him. He was a principal Government witness when Sanzo was convicted last June of income tax evasion for failing to report bribes received from another construction company. Claims one federal prosecutor about Montuoro: "What he says turns out to be true."

Through a Labor Department spokesman, Donovan last week told TIME: "I will not discuss any aspect of this investigation while it is in progress." The spokesman also said that Donovan "has no direct knowledge of these allegations. He will obviously cooperate with the appropriate Government officials in this matter, and is anxious to put this whole thing to rest."

Even if the allegation involving Donovan is ultimately discounted, the fact that the details of Montuoro's account of the alleged payoff were not presented at his confirmation hearings indicates a disturbing lapse by federal investigators. Corruption in Local 29 had been under multiple investigations, beginning as early as 1978, by the FBI, the Department of Justice, the Internal Revenue Service and even by the Labor Department that Donovan now heads. Yet none of those agencies had informed the Senate that Donovan's name had turned up in these probes.

Federal investigators also failed to pass along all the information they had concerning allegations that Donovan's construction firm had cozy relations with a Mafia-dominated subcontractor. The

Labor Secretary at Senate hearings

The accuser has credibility problems.

FBI did give the Hatch Committee a 19-page memo about various claims that Schiavone had done business with racketeers, but contended that it could not determine whether the charges were true or false. Neither the FBI nor the Justice Department informed the committee that federal agents had been bugging the offices and tapping the telephones of one such mobster, William Masselli, for seven months before Donovan's confirmation. What the official eavesdroppers overheard would surely have been of interest to the Senators.

TIME has learned that the recordings establish a strong link between Donovan's company and Masselli, whom the FBI describes as "a self-admitted soldier" in the Genovese Mafia family. Although he had virtually no expertise in the construction business, Masselli nevertheless in 1976 muscled a longtime acquaintance, Louis Nargi, out of control of a company that was helping Schiavone excavate subway tunnels in Long Island City and Manhattan. The takeover was a typical Mob operation. Nargi had run into unexpectedly difficult excavation problems, which made his subcontracting work for Schiavone more expensive than he could handle. He made the mistake of twice borrowing $50,000 from Masselli. When Nargi could not repay the loans on time, Masselli took over Nargi's trucks, loaders and other equipment, began writing checks on Nargi's bank accounts, and hired Nargi's workers.

Masselli did so in the name of a company he created in 1976 called Jo-Pel Contracting and Trucking Corp. Masselli became president of Jo-Pel. Joseph L. Galiber, a Bronx Democrat who is still a New York state senator, was vice president. Masselli put $3,600 into forming the company, and Galiber invested $3,800. In the past four years, their firm was paid more than $8 million on its contract work for Donovan's firm.

Even by Mob standards, that is not petty cash. When the Bonanno family protested within Mafia circles that Masselli had violated a territorial agreement, the Genovese and Bonanno factions held a council "sitdown" to hear the dispute. Masselli argued that he had simply foreclosed on bad loans. The council absolved him of infringing on a Bonanno jurisdiction. Salvatore (Sally Blind) Frascone, a Bonanno soldier specializing in vending machines, made the fatal mistake of continuing to protest the pro-Masselli decision. Frascone was openly executed in October 1978 by Mob hit men as he got out of his car in The Bronx.

All of that may show that Donovan's company had been doing business with a most unsavory gangster when it was dealing with Masselli and that Masselli associated with racketeers and murderers in the Mob. But it certainly does not demonstrate that Donovan had any personal knowledge of Masselli's criminal connections. The only mention of Donovan in the FBI eavesdropping that has been acknowledged so far by the Justice Department seems innocent enough. Masselli is heard telling his son Nat that he planned to attend some type of unexplained "affair," requiring admission tickets and an airplane trip, with "Ronnie [Schiavone] and Ray Donovan."

The FBI contends that it did not inform the Senate committee about this conversation because "it was known that Jo-Pel and SCC [Schiavone Construction Co.] did business together and, therefore, it was not considered surprising and/or particularly significant that Secretary Donovan's name was mentioned in the conversation between Mr. Masselli and his son." Following up earlier requests for more information about the Donovan investigation, Senators Hatch and Edward Kennedy wrote to FBI Director William Webster last July asking for details of the

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"You can know it in time for Christmas.

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"All it costs is $18 a month, but you help give a child so much.

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"We'll send you a child's photograph and tell you about his way of life — his age, health, interests and family background.

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"Simply send in your check or money order for $18 within 10 days. Or return the photo and background materials so we can ask someone else to help.

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mysterious "affair." Webster replied that answering such questions "might jeopardize current litigation or violate existing protective court orders." Wiretap results, he insisted, must be kept secret. Said Webster: "All the information currently available in our files concerning the relationship between Secretary Donovan and William Masselli has already been provided to the committee."

Webster's explanation may be totally candid. Still, the phrase "currently available in our files" could also be a key qualification, since the transcripts of the overheard conversations are now technically under protective custody of the courts. They thus could be considered not "currently available" to the FBI.

By the unusual way it has prosecuted Masselli, the Justice Department has virtually ensured that those full transcripts will not become public. The FBI surveillance turned up enough evidence for the U.S. Attorney's office in New York to charge Masselli with leading a hijacking ring and conspiring to sell $100 million worth of synthetic cocaine. However, if Masselli went to trial, the transcripts most likely would have to be produced. Instead, he was allowed to plea bargain. This is a rare concession to a Mafioso who is not, in turn, revealing Mob secrets to investigators. Masselli ended up pleading guilty to the lesser charges of receiving stolen goods and using interstate telephone lines to discuss a cocaine deal. Assistant U.S. Attorney Michael Ross even let Masselli take a vacation in Italy without seeking an increase in his bail and went along with his request to postpone imprisonment until after Christmas. Federal Judge Lawrence M. Pierce was not so obliging: he gave Masselli seven years in prison.

Why permit the plea bargaining? An FBI official in New York claimed that it was done to protect an informant whose identity might have to be revealed in a trial. He said that the decision had been approved at the "highest level of the FBI and the Department of Justice." In Washington, Associate Attorney General Rudolph W. Giuliani contended that the New York prosecutors had acted on their own and that "the department's approval was not sought or required."

The Justice Department now finds itself in the uncomfortable position of deciding whether to appoint special prosecutors to investigate two top officials in the Reagan Administration. In the case of National Security Adviser Richard Allen, the department is trying to determine whether he may have violated any laws by accepting two watches valued at $270, or by misreporting the date when he sold his consulting business. Both Donovan and Allen have survived previous inquiries into their conduct. But this time, the whiff of scandal has become so politically damaging that the Administration may cut them loose no matter what the Justice Department decides. ■

Sybarites in Sacramento

Everyone else gets pruned but not California's lawmakers

After three years under the spending limits imposed by Proposition 13, California is at the frontier of government retrenchment. Medical clinics for the poor are shutting down, parks are going to seed and the state's far-flung highway system is in disrepair. Despite such cutbacks, a deficit of at least $75 million in this fiscal year's state budget looks likely. But forced austerity is not universal. California's state legislators have seen fit to spare one group from the draconian reductions: themselves. While the expenditures in real dollars on social services have decreased, the money for the legislature has doubled since 1975 and ballooned by a third this year alone. California's assemblymen and senators spend more on their own care and feeding than lawmakers in any other state.

Ralph Morrell checks legislators' receipts

A revolt against freeloads and other perks.

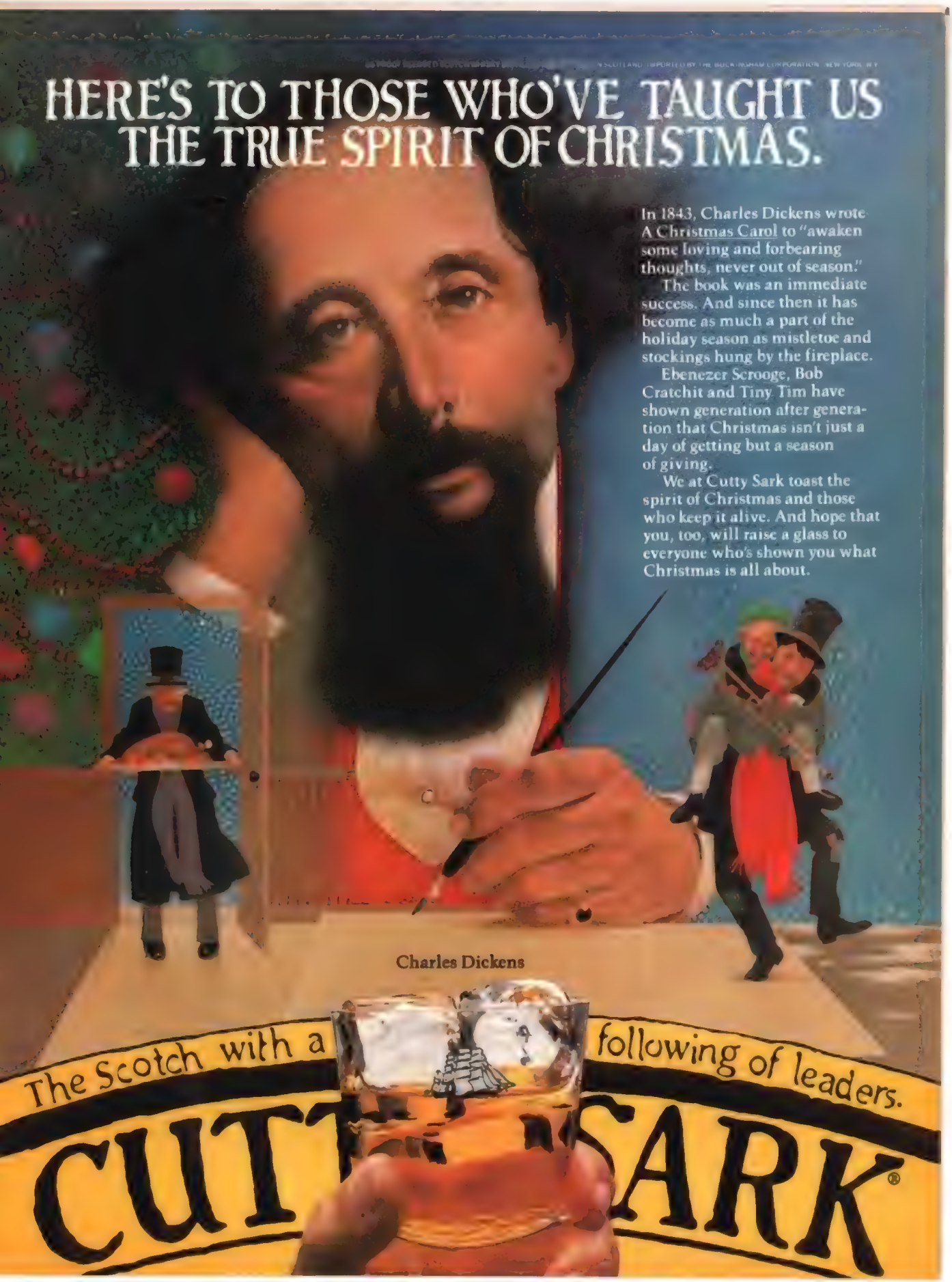
For appearance sake, the lawmakers have kept their salaries relatively modest: $28,000 a year. The fat—in rich, deep veins—lies elsewhere. Each of the 40 senators and 80 assemblymen gets an additional $50 a day tax free while the legislature's work is under way: an average of $12,000 apiece this year. Each lawmaker receives a monthly car allowance of $265 plus a gasoline credit card to use without limit. Many collect an extra $6 for custom car washes. There are other travel perquisites: many legislators traveled to Washington at state expense to lobby Congress for the tax exemption on their $50 per diem.

Office furnishings are a sizable cut above government issue. The office wing of the capitol in Sacramento is undergoing a $3 million sprucing up. That refurbishing will not encompass Assemblyman Walter Ingalls' principal office, which is outside the capitol. But that outside office is by no means shabby: at taxpayers' expense, Ingalls recently spent $8,000 for wallpaper, $10,000 for carpeting and $16,000 for furniture. His is not an extreme case. After installing new blue carpeting in his office, another legislator tossed out his set of California statute books in red bindings and ordered a new edition in blue. To sustain themselves during their budget-cutting marathons, the lawmakers spent $7,950 in one month on catered meals, $574 on ice cream, $3,400 on bottled water.

Much of the $106 million budget for the legislature goes to pay the salaries of its 1,000 employees. Ninety-three of those are sergeants at arms, who have been routinely dispatched to pick up laundry, chauffeur wives and, in one case, to feed live mice regularly to a pet snake belonging to former Assembly Speaker Bob Moretti. The majority of the legislative staff, of course, is engaged in legitimate work. But critics question the propriety, let alone the need, of hiring 200 new aides this year. Most of the 78 additional senate staff members, according to President Pro Tempore David Roberti, were needed to help figure out how the senate's budget can be cut.

Not all the legislators revel in the luxury. Last June, Senator Ollie Speraw proposed a bill that would have limited the increase in the legislators' own budget to 7%. He was shouted down. Says one of his few allies, Assemblyman William Filante: "Waste is the main problem in the state's budget crunch. The important thing is the attitude of the legislators: arrogance."

A citizen rebellion is building. Ralph Morrell, 62, heads a small watchdog group called Operation Slush Fund and has spent the last year exposing the legislators' "unconscionable extravagance." Lee Phelps, 51, is president of a statewide coalition called Citizens Asserting Supremacy over Taxation (CAST). Says he: "There are no controls, except by the legislators themselves. We've got to change the rules in this game where the legislators play around with our money. We've got to become the umpire." To that end, CAST has collected most of the 554,000 signatures necessary to put a measure on the ballot that would force the legislature to specify clearly the purposes of all appropriations. If the initiative passes, California's profligate legislators will find themselves in a chastening light. The prospect of elected officials justifying their ice cream bills has California taxpayers smacking their lips ■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Welshing on student loans

Like many a rich relative, Uncle Sam lends a great deal of money and has a hard time collecting. But among the borrowers taking advantage of his largesse, none are more galling than medical doctors who have reneged on the federal student loans that helped make their lucrative careers possible. At hearings last week in Washington, the Senate Governmental Affairs Committee put the spotlight on welshing physicians in hopes of making them pay up.

Established in 1963, the student loan program for the health professions allows would-be nurses, dentists, optometrists, pharmacists and podiatrists, as well as physicians, to borrow enough to cover their tuition plus up to $2,500 in other expenses. Repayment is over ten years at a maximum rate of 9%. About a third of the 167,000 loans now outstanding are in arrears totaling $23 million. Nurses have the highest delinquency rate, a whopping 43%, compared with a range of 6% to 29% for the other professions. The default rate for doctors is 16%.

Nurses at least can plead poverty: their average income is only $15,000. By contrast, the median income for doctors in private practice is $84,000. Notes Senator Charles Percy of Illinois, who chaired the hearings: "According to a General Accounting Office sample of delinquent doctors and dentists, most are well established in their practices and perfectly capable of paying these loans back on time. Seventy-three percent had excellent credit ratings in the private sector." One Harvard University Medical School graduate has a $19,000 car loan, $2,000 in department-store charges and $13,000 in other outstanding credit, and has never missed a payment on these debts. Yet he is two years delinquent on the remaining $1,552 of a student loan.

Senator Percy at Washington hearing

Warning doctors not to cheat Uncle Sam.

Part of the remedy is for the Department of Health and Human Services to provide a uniform definition of delinquency and for schools, which are responsible for administering the loans, to adopt tougher collection policies. According to the Senate committee's case-by-case review of loans to Harvard medical students, 24% are in arrears. The university, however, claims that only 5% of medical and dental students with loans are delinquent. One reason for the differing rates: a partial payment, even on a long-overdue loan, can take a debtor off the school's delinquency roll. Last month one graduate made amends by paying $25 on a $1,477 loan that was overdue five years.

Loyola University of Chicago has already tightened its procedures and has tripled its collections in the past three years. Percy has introduced legislation that would require the reporting of delinquent borrowers to commercial credit bureaus. Says he: "They should face the same consequences as they do if they don't pay their mortgage." But it is clear that those who will suffer the most are prospective health-care workers. Loans are no longer being made from congressionally appropriated funds, but from the money repaid. Because of delinquent debts, about 5,000 would-be doctors and nurses could be denied government aid. ■

Christian Soldiers *vs.* the Navy

If the Third Commandment forbids using the Lord's name in vain, can his name be used for a nuclear-powered fast attack submarine? At its annual meeting in Washington this fall, the National Conference of Catholic Bishops voted no. They wrote an elaborately polite letter to Navy Secretary John Lehman, saying that naming a sub *Corpus Christi*—Latin for body of Christ—"is very nearly sacrilegious."

The Navy has so far resisted the request to change the name. The sub is not named after a sacred mystery of the faith but, the Navy says, the Texas city (pop. 332,000) where the Corpus Christi Naval Air Station is the largest employer. Besides, a World War II Navy ship was called *Corpus Christi*, and vessels today are named, indirectly, after saints. For instance, the *Santa Barbara* carries the name of the patroness of artillerymen. Last April at the sub's christening—yes, christening—Secretary Lehman, a Roman Catholic, argued that the Second Vatican Council (1962-65) "not only did not condemn nuclear deterrence weapon systems, but said that deterrence had made a specific contribution to peace."

The protests do not exactly add up to a groundswell of indignation. Thomas Drury, the Bishop of Corpus Christi, who introduced the resolution of disapproval, has received about 200 messages of support. Drury, 73, a former Air Force chaplain, is new to such activism. Says he hopefully: "The bishops having made a decision on the thing, they are naturally going to stand by it. I dislike that it's causing all this trouble, but I'm afraid it won't die."

In Corpus Christi the residents seem to like the name just fine. Says Chamber of Commerce Executive Vice President Jimmy Lyles: "We use the English language here and not the Latin language." Meanwhile, the controversy seems likely to go on ad infinitum.

The sub *Corpus Christi* at its launching last spring

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POLAND

Crackdown on Solidarity

The government uses force after new defiance by the union

Solidarity Leader Lech Walesa after his meeting with the Roman Catholic Primate; Archbishop Jozef Glemp observing feast day in Katowice

Throughout Saturday evening there had been ominous signs of the trouble to come. Reports reaching the Warsaw headquarters of the trade-union movement Solidarity from regional offices warned of an unusual amount of troop activity throughout the country. Tanks were seen on provincial highways. In late evening, telephone and telex lines between Poland and the outside world were suddenly cut. And then, at midnight, eleven police vans appeared on Warsaw's Mokotowska Street, where the local headquarters is located, and blocked the thoroughfare. Moments later dozens of steel-helmeted riot police stormed the building, where they arrested union members and confiscated documents

At about the same time, police and soldiers were rounding up union radicals elsewhere. The door of one unionist's apartment was smashed as police pushed their way inside. Additional arrests were made in the Baltic port city of Gdansk, where the ruling committee of Solidarity, including its leader, Lech Walesa, had been in stormy session. Also taken into custody were several former government officials, including former Communist Party Chief Edward Gierek. Despite the apparent size of the operation, the news blackout had been planned so carefully that even in the capital, few Poles were aware of what was happening

Polish Premier Wojciech Jaruzelski
"We had to do something."

At 6 a.m. Sunday, exactly six hours after the crackdown began, General Wojciech Jaruzelski, the Polish party chief and Premier, made a radio address to the country. He declared a state of martial law and announced that henceforth the country would be ruled by a "military council for national salvation." Speaking in a tired voice, he said, "Our country is at the verge of an abyss. The state structure has ceased operating." Solidarity's leaders, he charged, "threaten us with the use of force. They no longer obey the law. Everyone is on strike. They call for confrontation with the Reds. We had to do something before they thrust us into civil war

We have to come out of the crisis by ourselves by our hands. History would never forgive us if we failed." And so, he

said, "from today, a state of war is declared in Poland."

Under the martial law decree, Solidarity was "suspended," as were other forms of union activity. Also prohibited were all public meetings, except religious services held inside churches. Poland's borders were sealed and its airports closed. Telephone and telex communications were severely disrupted, both with the West and with friendly countries such as the Soviet Union and Czechoslovakia. Inside Poland, phone communications were also interrupted. Poles were told to seek out military patrols in the street if they needed emergency assistance.

A curfew was imposed between 10 p.m. and 6 a.m., and Poles were ordered to carry identity papers at all times. House searches were legalized. Movement between cities was restricted, as were such activities as sailing on inland lakes and territorial waters. The government said people suspected of threatening the state would be interned in "isolation centers" around the country.

The government moved forcefully, but there was also evidence of official caution. Many top Solidarity officials were detained, but Walesa was flown from Gdansk to Warsaw for consultations with government officials. Said a government spokesman: "Walesa is not arrested and not interned. He is being treated with all due respect. He is considered the head of Solidarity, and Solidarity's activities have only been suspended." It was not known what the government was seeking from him, or what would happen if Walesa could not or would not get Solidarity to comply with government demands.

Six hours after his radio announcement, as a light snow fell on the capital, Jaruzelski outlined the state of emergency on national television. Looking drawn and tense behind his customary dark glasses, he spoke with slow emphasis, as if to make sure that his listeners would not miss anything. It was revealing that he addressed his audience as "citizens" instead of using the Communist "comrades." He did not mention the party, and he was introduced as Poland's Premier and head of the armed forces, but not as party secretary, a post he also holds.

Jaruzelski's rhetoric at times was forgiving ("We do not intend to pursue a policy of revenge"), but his message was all muscle: civilian government will be restored only when "the situation is promising enough." In what seemed to be an effort to take some of the sting out of the crackdown, Jaruzelski announced that several dozen deposed Communist party officials had been "interned" or would be rounded up later. In addition to Gierek, who was ousted at the height of the labor unrest in Gdansk last year, these included former Premier Piotr Jaroszewicz, former Propaganda Chief Zdzislaw Grudzien and Jan Szydlak, a hard-liner who once headed Poland's official trade-union federation. Jaruzelski said they had been taken into custody "in connection with the state of affairs in the 1970s." By seizing on scapegoats within the party, Jaruzelski hoped to make it clear that Solidarity was not solely responsible for Poland's calamity.

The careful timing of the police and army dragnet and communication blackout indicated that the government had been planning to move for some time. But as luck would have it, Solidarity provided a perfect pretext, presumably just as the government was about to start its roundup. Meeting in Gdansk on Saturday, the union's national leadership passed a seven-point resolution demanding greater freedom and vowed to call for a national referendum on the Communist leadership if the government did not respond to Solidarity's requests. During the debate, one official said, "Whether we want to or not, we have to take power." The union then proclaimed this Thursday "a day of protest against oppression." The Solidarity demands were unexpectedly radical, and probably would have forced government action within days even if it had not been planned ahead of time.

By Sunday afternoon all Poland knew the worst. Troops and tanks were stationed at key crossroads in major cities. There was little traffic, but in some areas Poles took to the streets, and demonstrators pelted army trucks with snowballs. Outside Solidarity's headquarters, union members handed out crude leaflets demanding an immediate nationwide general strike. Another leaflet condemned the martial law decree as a "brutal provocation of the country's legal order and an attempt at paralyzing and crushing Solidarity and society." At one point police turned fire hoses on 200 demonstrators.

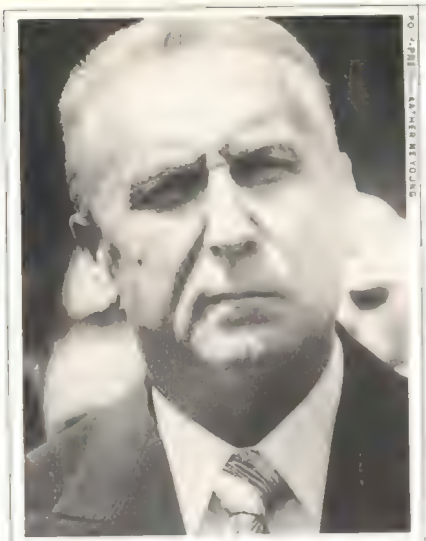
The move against Solidarity caused shock and dismay throughout the West. In Washington, President Reagan was kept closely informed of the Polish situation throughout the weekend. In Brussels, Secretary of State Alexander Haig hastily put off a planned trip to Israel. He said the U.S. and its European partners were "surprised" by the ominous developments in Poland. "We're watching very carefully," he said. "And we are consulting with our concerned allies here on the Continent." In a direct warning to the Soviets, Haig said, "It would be hard to call the West guilty of interference. And we have increasingly insisted that others not interfere either." The North Atlantic Treaty Organization was ready to call an emergency meeting of foreign ministers if the situation in Poland warranted. West German Chancellor Helmut Schmidt was described as "very upset" by events, though he stressed that "the news from Poland could have been worse"—meaning Soviet troops were not involved.

On Sunday at St. Peter's Square, Pope John Paul II calls for calm in Poland

"Polish blood must no longer be spilled. Everything must be done to build peace."

There were no immediate signs of Soviet military intervention, and Jaruzelski's comment that Poles should solve the crisis by "our hands" appeared to imply that he was striving hard to avoid such an eventuality. Clearly speaking to both Poland and the Soviets at once, Jaruzelski said: "Citizens, just as there is no turning back from socialism, so there is no turning back to the erroneous methods and practices of pre-1980." But then he said: "The Polish-Soviet alliance is and will remain the cornerstone of the Polish *raison d'état.*" Within hours of the imposition of martial law, Radio Moscow carried an approving bulletin on the government's action. Said a government official in Moscow: "The Soviet troops in Poland are in their barracks. Polish troops have control of the situation." Jaruzelski's move was reported without comment in most of the other East bloc countries.

The most poignant reaction came from Pope John Paul II. Giving his Sunday blessing before a crowd of 30,000 in St. Peter's Square, he declared: "Polish



Detained: former Party Boss Gierek

blood must no longer be spilled. Everything must be done to build peace in the future of the homeland."

Though the Polish people have seen the level of political pressure rise and fall repeatedly throughout the past year and a half, they had realized for several days that the nation might be approaching a crisis. Early last week the government launched a propaganda barrage against Solidarity by broadcasting over the state radio some tape-recorded excerpts from a closed-door meeting of the union's leadership. The excerpts accounted for only about 30 minutes of what had been a twelve-hour discussion, but they tended to portray the leaders as troublesome and uncompromising. Walesa was quoted as having said: "The confrontation is unavoidable, and it will take place . . . I wanted to reach [it] in a natural way, when almost all social groups were with us. But I made a mistake because I thought we would keep it up longer and then we would overthrow these parliaments and [local government] councils." Walesa cautioned union leaders at the meeting against declaring publicly that confrontation was inevitable, but told them that they should say, "We love you, we love socialism and the party and, of course, the Soviet Union . . . We should do our work and wait."

The fact that somebody had tape-recorded the proceedings of a union meeting was not in itself surprising. Regional leaders, for example, routinely record union debates in order to demonstrate to members back home that their interests have been properly represented. Walesa did not quarrel with the quotes but said his remarks had been "terribly distorted." If anyone was seeking a showdown it was the government, he continued, adding: "We would like to hear their private conversations when they are talking about us secretly." Moreover, union leaders pointed out, the meeting had taken place just after the government had sent police to break up a sit-in demonstration by students at Warsaw's Fire Fighters Academy, and the unionists were angry

What was alarming about the broadcast of the tapes was the harsh tone the government had adopted against the union. For perhaps the first time, Walesa was vilified by the state press and television. As a series of still photographs of Walesa was shown on TV, an announcer intoned, "Do you want to follow this band of revolutionaries, or would you prefer a peaceful national understanding of the kind the government is seeking?" The army newspaper *Zolnierz Wolnosci* called Walesa "a great liar and provocateur" who headed a group of "madmen" who were striving for "anarchy and chaos."

At midweek Walesa met in Warsaw with Poland's Roman Catholic Primate, Archbishop Jozef Glemp, who was attempting to mediate between the government and Solidarity. Glemp had already spoken out against the government's bill

Also held: ex-Premier Jaroszewicz

seeking broader emergency powers, saying that it could "disturb the internal peace and cause a grave social conflict." Following his talk with Walesa, there were rumors that the two might meet with Jaruzelski. But such a meeting was not arranged, and Walesa returned to Gdansk. For his efforts at peacemaking, the Archbishop received a blast from Moscow, which accused the Polish Catholic Church of stirring up "anti-Communist sentiment."

One important indication of the fear of government action in Poland was the fact that some 33,000 Poles have fled to Austria as refugees since last January. In addition, many of the 30,000 Polish "tourists" now in Austria are expected to seek resettlement. Of the 33,000 official refugees, only 6,700 have thus far received immigration visas to enter the U.S., Canada or Australia. Last week the Austrian government suspended a 1972 agreement that permitted Poles to travel to Austria without first obtaining visas. As a Vienna newspaper put it, "The government has decided that this country can no longer serve as the waiting room of the free world, a sort of Ellis Island of the West."

As tensions in Poland were rising all last week, unionists and government officials had repeatedly traded warnings. In itself, this was not unusual: Solidarity and the government have been testing each other since the union came into existence 16 months ago. What was unusual was the explicitness of the union's challenge. By calling for a referendum on the government, the radicals of Solidarity played into the hands of the hard-liners of the Polish Communist party. The government had already staked out its position: in the event of demonstrations, "organs of public order" would move "decisively" to block such protests. At midnight Saturday, General Jaruzelski carried out that threat, with consequences to the Polish nation that cannot yet be assessed. —*By William E. Smith.*

Reported by Richard Hornik/Warsaw

Poles seeking visas crowd the gates of the Austrian embassy in Warsaw

Restricting borders in hopes of stemming the growing exodus of "tourists" and refugees.

DIPLOMACY

East Joins West

Concerto for two Germanys

The sites that the East Germans chose for the summit meeting between their party chief, Erich Honecker, and West German Chancellor Helmut Schmidt were awash with symbolism. One was East Germany's Hubertusstock, once the hunting lodge of Prussian kings; the other, a guesthouse at Döllnsee, in a wooded area to the north of East Berlin, now serves as a lakeside retreat for Honecker, the German Democratic Republic's boss since 1971. The guesthouse is also the place where Honecker, as chief of East Germany's internal security apparatus in 1961, received orders to begin construction of the Berlin Wall, which has since divided the two Germanys.

The three-day meeting was the first formal conclave on East German soil between East and West German leaders since Chancellor Willy Brandt helped launch his *Ostpolitik* in 1970 by meeting with East German Premier Willi Stoph in Erfurt, 40 miles east of the frontier. Initiated by the East Germans, the weekend summit had been twice postponed because of East-West friction over the 1979 Soviet invasion of Afghanistan and the continuing crisis in Poland. A further irritant was provided last year by the Honecker government's new currency regulations, which greatly increased the cost of travel from West to East and thus reduced the number of such trips by West Germans by 20% in the past 14 months.

The Schmidt government, in its pursuit of *Ostpolitik*, is anxious to resume negotiations with East Germany, in the hope of easing intra-German relations and perhaps achieving a larger measure of détente between East and West. Bonn's long-range concerns have already produced windfalls for the East, which reaps benefits from credits, deutsche marks and other hard currency from the West. Lagging behind West Germany in virtually every aspect of economic life, East Germany has vastly gained from interest-free credits extended by Bonn. These credits, amounting to $383 million annually, made possible last year an 18.7% rise in East-West German trade, to $5.24 billion. In a gesture of good will, Schmidt planned to discuss renewing the credit agreement, which is due to expire this month. He may, however, be obliged to reduce the sum to $314 million under pressure from the West German federal bank. Bonn also planned to press the East Germans for some concessions on their disputed new currency regulations, changes that would allow children and old people from the West to make trips to East Germany more cheaply.

Another important issue concerned the proposed natural gas pipeline that will stretch some 3,000 miles from Siberia through East Germany to Western Europe. The West Germans would like to see Honecker approve the pipeline agreement, which was discussed last month by Schmidt and Soviet President Leonid Brezhnev. Since West Berlin will receive natural gas under the terms of the agreement, the West Germans hope that Honecker's approval of the plan may augur well for future discussion of matters involving West Berlin—a subject that East Germany has often regarded as *verboten*.

Though the summit may evoke memories of the heady atmosphere of détente that prevailed in the 1970s, reunification of the two Germanys is no longer a popular expectation. According to a poll of West Germans conducted last year, only 8% of the population believed that reunification can be achieved by the end of the century. In spite of the summit, the wall that Honecker built is likely to remain standing for the foreseeable future. ■

West Germany's Helmut Schmidt and East Germany's Erich Honecker at meeting

Evoking memories of the heady atmosphere of détente that prevailed in the 1970s.

SOVIET UNION

End of a Fast

Sakharov makes his point

For 17 days it seemed certain that Andrei Sakharov's war of wills with the Kremlin could end only one way: in defeat and, possibly, death by starvation. Then, four days after the dissident leader's hunger strike led to his being hospitalized, the Kremlin backed down. In a rare concession, the Soviet leadership surrendered to Sakharov's demand that his daughter-in-law Liza Alexeyeva, 26, be allowed to join her husband, Alexei Semyonov, in the U.S. Sakharov, 60, and his wife Yelena Bonner, 58, who had joined him in the hunger strike, broke their fast upon hearing the news that Alexeyeva was free to leave. Semyonov, 25, who is Bonner's son by a previous marriage, was allowed to leave the Soviet Union in 1978. He is a graduate student at Brandeis University and now lives in Waltham, Mass.

The Soviet action was evidently prompted by pressure from abroad. The Kremlin leaders had become increasingly alarmed about the Soviet image in the West as pro-Sakharov demonstrations erupted in European capitals, and world statesmen, including Pope John Paul II, West German Chancellor Helmut Schmidt and President Reagan, expressed their concern. The Soviets have always held back from taking extreme measures against Sakharov because of his international celebrity as the much decorated nuclear physicist who helped develop the Soviet hydrogen bomb. He later went on to gain greater fame as the champion of human rights in the U.S.S.R. and the winner of the 1975 Nobel Peace Prize, though he has been roundly vilified in the Soviet press. The Soviets' fear of incurring worldwide opprobrium was compounded a month ago, when Sakharov managed to get a message to the West that if he died during his hunger strike, the KGB might well be guilty of his murder.

It was the KGB that passed word of the Kremlin's decision to Alexeyeva that she could go to the U.S., thus halting Sakharov's fast. Alexeyeva, who married Semyonov by proxy last June, had been previously denied a visa to leave for the U.S. On Saturday, Alexeyeva boarded a train to visit the Sakharovs in the industrial city of Gorky, where the couple has been living in exile for the past 23 months.

At week's end, the government newspaper *Izvestia* published a tiny news item on the affair. The article, in its entirety, said: "In connection with the fact that the parents of Y.K. Alexeyeva have withdrawn their objections to her leaving the Soviet Union, a decision has been taken to grant her an exit visa by way of exception." It was the first announcement to the Soviet public that Sakharov had won his battle with the Kremlin. ■

The President, right, in his Elysée study during last week's television interview

FRANCE

Tending a Neglected Backyard

Mitterrand tries to calm the critics of his new economic order

The camera panned slowly across a library of leatherbound books and a polished table to a pair of pale, manicured hands and finally to the angular, rigidly expressive face framed in a white collar and blue suit. French President François Mitterrand was on the air, live from his study in the Elysée Palace. In an hour-long Gallic version of a televised fireside chat, Mitterrand delivered the first comprehensive defense of his leftist domestic policies since he took office seven months ago. "Those who chose us want things to change," said he. "There must be some reforms, and these reforms must be carried out at a reasonably good pace."

After devoting 43,000 air miles to international summitry in seven countries, Mitterrand was belatedly paying attention to his national backyard. The interview, conducted by two accommodating TV executives, was an attempt to cast a cloak of presidential conciliation broad enough to reassure his impatient supporters and appease his angry detractors. But it confirmed that neither worsening economic news nor mounting political pressure would deter the new President from fulfilling the sweeping promises made during his campaign.

Mitterrand acknowledged that the latest economic statistics were disappointing. Unemployment, which the Socialists had vowed to bring down, passed the symbolically sensitive 2 million mark last month and now stands at 8.2% (*vs.* 7.2% when Mitterrand took office). Inflation roars along untamed at 14% (*vs.* 12.5% last May). The country's trade balance registered a $1 billion deficit for the month of October alone. But the President predicted that the employment picture would start improving by 1983. He also pledged efforts to bring inflation down to 10%. The success of his seven-year mandate may depend on his ability to meet those targets. Warns a diplomat in Paris: "If a year goes by and the Socialists haven't turned things around, there could be serious trouble."

Signs of discontent are already evident. Leftist unions have been stepping up their demands of the government. The Communist-led Confédération Générale du Travail, for example, is holding out for an immediate reduction in the work week from 40 hours to 38; Mitterrand is offering 39. A crowd of 3,000 ecologists staged a violent demonstration two weeks ago at Golfech, in southwestern France, to charge Mitterrand with reneging on his campaign pledge to curtail new nuclear-plant construction.

The major farmers' union, meanwhile, indignantly balked at a government offer of $1 billion in subsidies. Demanding $1.7 billion, militants blocked the track of the new high-speed TGV train for one hour. Traveling salesmen got into the act with a horn-tooting, traffic-jamming demonstration in Paris' Place de la Concorde to demand new benefits, including tax-free gasoline (the current price of $2.77 per gal. includes $1.01 in taxes). Even during a generally triumphant visit to his former constituency in western Burgundy this month, there was an undercurrent of rural dissatisfaction. Said one protest sign along the way: WE WANT TO LIVE, NOT JUST SUBSIST.

Mitterrand's most important challenge comes from the French business community, which lacks confidence in his radical economic program. Mitterrand has raised taxes on business and on individuals with high incomes, increased the government's economic role by moving to nationalize large companies and private banks and boosted state spending on everything from civil servants to welfare benefits. These policies, a representative of the association of small- and medium-size employers warned last week, are "killing the goose that has been laying golden eggs." Uncertain of the future, French industries large and small have cut back on new investment

In his television appearance, Mitterrand tried hard to mollify businessmen. While reaffirming that all promised reforms would be carried out on schedule, he pledged not to undertake further nationalizations. Justifying a controversial, although legal, decision to impose certain job-creating social reforms by decree instead of by legislation, Mitterrand declared: "Businessmen need to know the rules of the game."* At the same time, the government has been cracking down on what appears to be an increasing traffic of money and valuables out of the country. So far, 34 people, including one former member of parliament, have been charged with illegally siphoning currency abroad.

Mitterrand also tried to close a debate that was launched by Finance Minister Jacques Delors, the most outspoken moderate in his Cabinet, who declared in a radio interview last month that he favored a "pause" in the pace of reform. Mitterrand disagreed. The President is anxious to placate important supporters within the governing coalition: the Communists, who hold four seats in the 44-member Cabinet, and a group of impatient, occasionally raucous Socialist backbenchers known as "maximalists" because they want a maximum number of campaign promises implemented.

Extensive as they are, Mitterrand's difficulties are early warning signals, not immediate liabilities. The latest polls show confidence in his administration holding steady at 57%. And for all the acrimony over economic policy, a surprising degree of harmony prevails on foreign affairs and defense. Mitterrand's request for $22 billion in military spending, up 3.6% after inflation over last year's level, passed the Senate without dissent this month. It was the upper chamber's first unanimous vote in 30 years. Nonetheless, it is Mitterrand's handling of the economy and of domestic social policy that will determine France's international strength, its uniquely firm stand on Western defense and, of course, the number of future televised reassurances the President will have to give. —***By Henry Muller. Reported by Jordan Bonfante/Paris***

*Mitterrand also responded to rumors that he was suffering from a mysterious illness. Confirming that he had undergone a series of unspecified tests, he explained that he has been beset by back and leg pains, that he now "felt better" and that a full report on his health would be published this week.

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UNITED NATIONS

Peruvian Factor

A dark horse breaks deadlock

The contest carried much of the suspense and intrigue of a papal election. After 16 ballots in five weeks, the United Nations Security Council was locked in a stalemate over the selection of a Secretary-General for the five-year term that begins Jan. 1. The People's Republic of China had repeatedly vetoed the incumbent, Kurt Waldheim of Austria, 62, who was vying for an unprecedented third term. Just as consistently, the U.S. had nixed his challenger, Tanzanian Foreign Minister Salim Ahmed Salim, 39. Last week, even though there was no puff of white smoke billowing from the 39-story marble-and-glass tower on New York City's East River, the deadlock was broken.

With surprising ease, the 15-member Security Council recommended the appointment of Javier Pérez de Cuellar, 61, a Peruvian diplomat virtually unknown outside diplomatic circles. The 157-member General Assembly is expected to ratify the choice this week.

The turning point came on Dec. 3, when Waldheim withdrew his name. He was apparently acknowledging that no number of ballots could overcome China's stubborn opposition to a man not from the Third World. Salim, opposed by the U.S. for his occasionally strident anti-American rhetoric, followed suit five days later. That left the field open for a stable of dark horses. The first straw poll, conducted behind the closed doors of the Security Council's chambers, gave the necessary minimum of nine votes to Prince Sadruddin Aga Khan, 48, a Harvard-educated Iranian citizen who was the U.N.'s High Commissioner for Refugees from 1965 to 1977. But there was one hitch: his detractors included Soviet Ambassador Oleg Troyanovsky, who, because he represents one of the council's five permanent members, was entitled to veto any candidate. This he did, considering Sadruddin too pro-Western. That opened the way for the runner-up, Pérez, who had won eight votes in the straw poll. In the official secret ballot held Friday he received ten votes, including that of the U.S. "I feel free again," said a gracious Waldheim after the decision. "They have chosen a very good man."

The outgoing Secretary-General was in a position to know. Pérez, a diplomat since 1944, served as Peruvian Ambassador to Switzerland and to the Soviet Union before first heading his country's delegation to the U.N. in 1971. Waldheim has entrusted Pérez with a number of delicate missions. In 1975, he became the Secretary-General's special representative in strife-torn Cyprus. Four years later, Waldheim appointed Pérez Under Secretary-General for Special Political Affairs. Most recently, he represented Waldheim in an effort to solve the ticklish issue raised by the Soviet Union's occupation of Afghanistan. In that assignment, which produced no concrete result, Pérez exercised the discretion that no doubt won him the Soviet Union's endorsement.

Colleagues describe Pérez as likable and unpretentious, though lacking in dynamism. In other words, he possesses the very qualities that major powers generally seek in a Secretary-General. "Pérez is a very decent chap," says Under Secretary-General Brian Urquhart, a Briton who has worked closely with him. Pérez is often compared to U Thant, the quiet, self-effacing Burmese who served in the U.N.'s highest office from 1961 to 1971. Unlike Waldheim, the Peruvian does not have a reputation as a workaholic. Still, diplomats welcome his familiarity with the international organization's long and often byzantine corridors. "He is a very good diplomat who knows the U.N. from the inside," says Urquhart. Even though Sadruddin was the first choice of the U.S. delegation, Ambassador Jeane Kirkpatrick described Pérez as a "strong candidate" who had "shown imagination in problem solving." She added: "I am delighted to have a Secretary-General from a state which is a neighbor and with which we feel very close and friendly."

Unlike other candidates who were in New York lobbying for the job, Pérez stayed in Lima, the Peruvian capital, during the vote. After hearing news of his selection, he said, "My main concern and endeavor will be what it has always been, peace among nations." Given Pérez's age, U.N. officials do not expect him to seek a second term. That should be a welcome consolation prize for the other candidates, especially Salim. The Tanzanian, who will be only 44 when the next vote comes up, no doubt still hopes to be the first African to enjoy the view from the spacious office on the U.N.'s 38th floor. ■

Pérez in Lima after his victory

Diplomatic and unpretentious.

ARGENTINA

General Failure

The junta dumps its own man

After precisely eight months and twelve days in office, President Roberto Eduardo Viola last week was removed by Argentina's ruling three-man military junta. Early in November, Viola, 57, had stepped aside voluntarily to recuperate from a heart ailment. He yielded power to an interim President amid widespread rumors that he would be permanently replaced because of his notable lack of success in managing the country's deepening recession. Indeed, repeated attempts were made by junta members to convince Viola to hand in his resignation. Then last week the junta summoned the stubborn President to army headquarters in Buenos Aires and summarily stripped him of his office.

Galtieri

Viola's brief reign was a general disaster. Though Argentina was already in serious economic trouble when he took office last March, Viola led his resource-rich country into the worst economic crisis in its 165-year history. Successive government currency devaluations have plunged the Argentine peso from 2,000 to the dollar to 10,000 to the dollar. Inflation is raging at 120%. As much as half of the country's industry has come to a standstill, and some 13% of the work force is unemployed. An estimated 2.2 million skilled and professional Argentines, or 8% of the population, have left the country, most of them in the last few years. Piecemeal attempts to control inflation—by declaring a moratorium on industrial debt, for example—have been delayed and poorly implemented. Commented the Buenos Aires newspaper *Clarín:* "Few times has the political arena been so confused, contradictory, and in conflict with reality."

Viola's successor, junta member and army commander-in-chief General Leopoldo Fortunato Galtieri, does not take office armed with much confidence from his fellow Argentines, who are deeply cynical about the ability of the generals to govern. Galtieri will be the third military ruler, after Jorge Rafael Videla and Viola, since the 1976 coup that overthrew the government of Isabelita Perón and resulted in a bloody campaign to rid the country of leftist terrorists. The down-to-earth Galtieri, 55, is said to be well-liked in Washington and is expected to move swiftly to restore economic order to Argentina. But his stewardship of *el proceso*, as skeptics disparagingly call Argentina's agonizingly slow return to democracy, will be judged by how quickly he restores civilian rule to the country. ■

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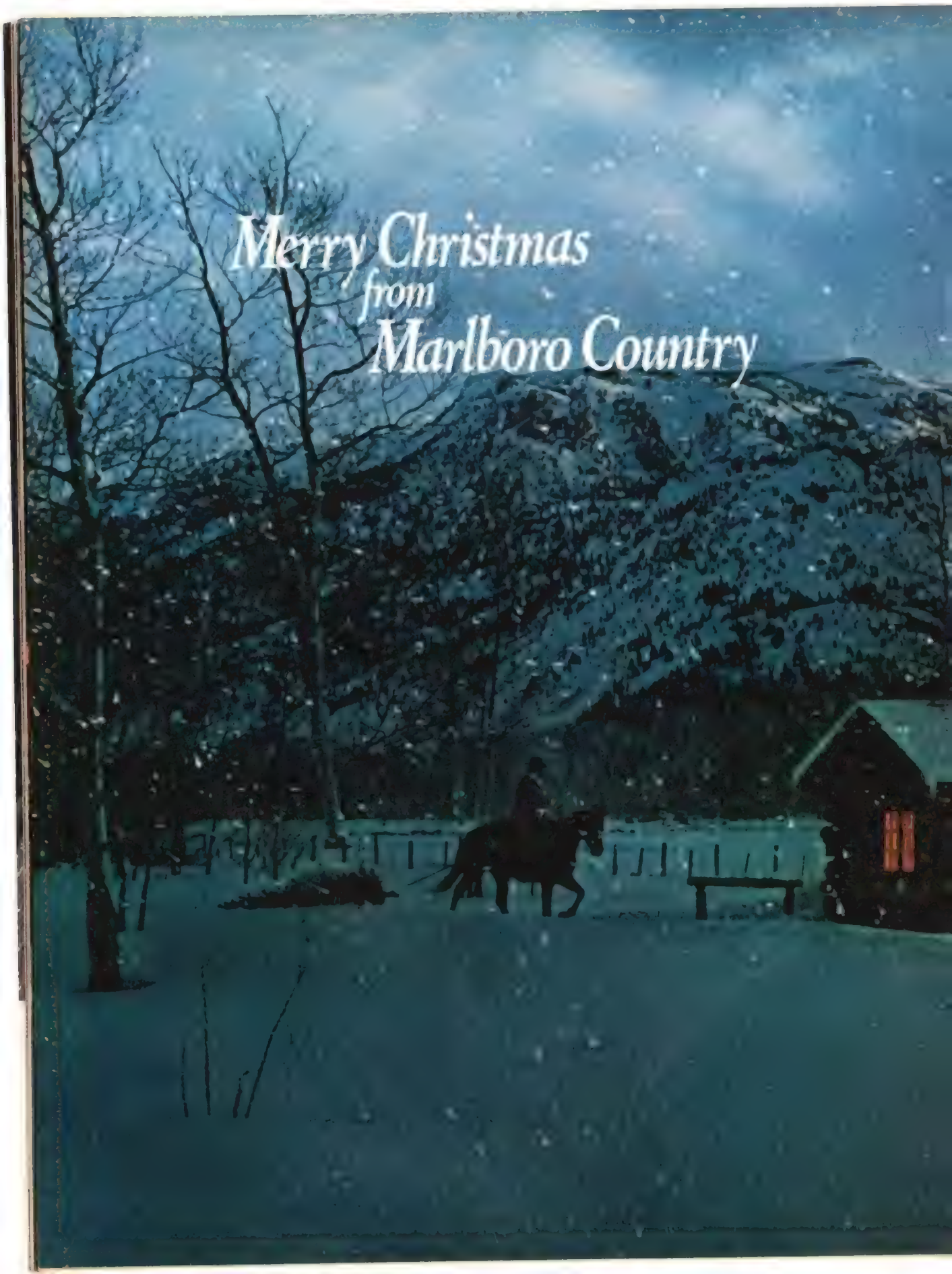
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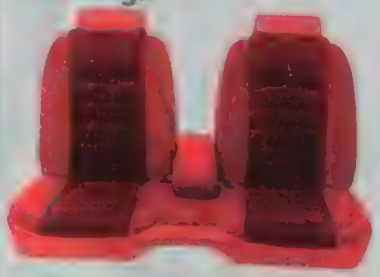

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EL SALVADOR

Taking a Chance on Elections

"But who in hell knows what's going to happen?"

The posters are blue and white, the same colors as the Salvadoran flag, and they usually show three happy citizens standing together. "El Salvador deserves your vote," reads the caption. On radio and television, scrupulously nonpartisan spot announcements urge voters to turn out on election day. "This time your vote will be respected," they insist. "Your vote will make the difference."

Over at the heavily guarded Central Election Council in San Salvador, the capital, Jorge Bustamante, the council chairman, is conducting polls on what kind of turnout can be expected when voters cast their ballots for delegates to a constituent assembly on March 28. He is hoping for 60% of the country's estimated 1 million to 1.5 million eligible voters. "This government is the product of a *coup d'état*," he explains. "In order to go back to legality, we must have a new constitution."

Although the election is still more than three months away, the sudden surge in political activity is part of an all-out campaign by El Salvador's President José Napoleón Duarte and the ruling military-civilian junta to persuade Salvadorans to vote. The election, Duarte argues, is a step toward ending the savage civil war that is tearing the country apart and toward restoring the democratic process. Duarte, who is also leader of the centrist Christian Democratic Party, has the strong backing of the U.S. in calling the election. The tentative plan is for the constituent assembly election to be followed by balloting for President in 1983.

The March election has, however, come under sharp attack from some quarters. Leftist spokesmen argue that the operation of right-wing death squads, current military restrictions on civil liberties and a long history of electoral manipulation in El Salvador rule out any chance that the election could be fair and free. The left, of course, is not expected to put up any candidates, since they would almost certainly be murdered. El Salvador's neighbors are also divided about the election. The Organization of American States last week voted 22 to 3 to back the election and send observers if requested. But the resolution was opposed by Nicaragua and Grenada, which support the leftist guerrillas who are trying to oust the Salvadoran junta, and by Mexico, which favors a negotiated political settlement. Four other countries abstained.

Washington is anxious to see an elected government installed in San Salvador, particularly since American aid is expected to rise to $173 million or more next year. "One of the things President Duarte attaches importance to is getting out of this transitional period," explains U.S. Ambassador to El Salvador Deane Hinton. "He feels if we don't have the support, we go." But that position poses grave risks, both for Duarte and the U.S., if his Christian Democratic Party loses the election. Some observers, in fact, fear that the election could turn out to be a "slow-motion right-wing coup" that would give a stamp of legitimacy to the extreme right rather than the Christian Democrats.

San Salvador rally: end the violence

Some wind up in the lava mountains.

The Christian Democrats at present control the political machinery and most of the mayoralties. They have financial and political ties to Christian Democratic parties in Venezuela and Europe. But there are already indications that the National Conciliation Party (P.C.N.), the official party of the previous military regimes, is running neck and neck with the Christian Democrats. The constituent assembly will have governmental powers. Thus, should the P.C.N. win a simple majority or manage to form a coalition with any of four small parties of the far right, Duarte could be ousted as President, the Christian Democrats would lose the ministries they hold, and the U.S. would have sacrificed its best hope for ever restoring democracy in El Salvador.

As the parties geared up their campaigns last week, Defense Minister José Guillermo Garcia announced that members of the armed forces would not be allowed to vote, apparently to avoid any charges of military interference. The junta, meanwhile, decreed its new election laws. The use of voter lists will be abandoned. The lists were often a source of fraud in the past. They have also been outdated by the many deaths and dislocations among the population, and they risked being boycotted by voters who fear being murdered if their name appears on a list having anything to do with politics. Under the new system, a voter can present his government-issued ID card at any voting booth in his home province, get his finger marked with indelible ink, and vote. Bustamante insisted that a voter could not remove the ink and vote more than once "unless he amputates a finger, and if he does, I'll be delighted to let him vote two times, even ten." The major problem, Bustamante added, will be getting ID cards for everyone. He estimated that at least 250,000 peasant women do not have them. Another problem will be ensuring the safety of voters in some 30 cities and towns where the guerrillas are strong. In addition, there are signs that the guerrillas may launch a major military offensive before the election.

In a country where wanton death has become common, few people speak openly about whom they might support. Some are blatantly cynical. "The one that will win is the one who is in now," smiled a worker at a sugar-refining plant outside San Salvador, adding: "You have to be with the one that is in. If you are not, you will be in the lava mountains, right?" He was referring to a notorious stretch of lava rock outside San Salvador, called El Playón, that was recently discovered to be a dumping ground for victims of the right-wing death squads. The bodies were left there to be consumed by vultures. Another worker, a cane cutter, reflected both the hope and the despair of El Salvador's enduring dilemma. "We think our vote will be important," he declared, "but who in hell knows what's going to happen?"

■ ■ ■

Air piracy is no longer the unusual crime it used to be, but one case in Venezuela last week merits dubious note. In a rare triple hijack, two Aeropostal Airlines flights and one Venezuelan Airways (Avensa) flight were seized shortly after leaving Caracas' Simon Bolivar International Airport. Eleven hijackers, believed to be members of Venezuela's Red Flag terrorist group and representing various leftist causes, got through airport security by passing themselves off as a band of musicians. They boarded the aircraft carrying grenades and automatic weapons concealed in instrument cases. No sooner had the FASTEN SEAT BELT signs been turned off than the three planes' 235 passengers and 15 crew members found themselves on a harrowing 29-hr. jaunt that touched down at various Latin and Caribbean countries en route to Havana. All hostages were released unharmed. The gunmen were taken into custody by Cuban officials. ***—By Marguerite Johnson. Reported by James Willwerth/San Salvador***

ITALY

Land of Woe and Wonder

The economy sags, the government wobbles, but la vita *is* dolce

Completing his fifth month as Prime Minister of a nation noted for swinging-door governments (41 in 36 years), Giovanni Spadolini felt secure enough to confront 57.5 million fellow Italians with a sobering economic warning. The country is sliding into recession at an alarming rate, he said in a televised speech a month ago. Unless inflation is brought under control, warned Spadolini, Italy could end up as a Mediterranean banana republic.

If the Prime Minister sought to scare his countrymen into mending their free-spending ways, his message was ill timed. It came just before the latest manifestation of a peculiarly Italian custom, the *tredicesima*. That is a 13th-month salary, paid by law and tradition to workers at all levels every Christmastime. Some 21 million Italians received a total of $9.2 billion *tredicesimas* last week, and few would be so un-Italian as to save a lira of it. Instead, the windfall will go for pasta, *parmigiano* and *panettone*, and for *spumante* and *sambuca*, to grace their holiday tables. Any lire left over will be spent on gifts and celebratory sprees.

As for gifts, expenditures on baubles and bangles this season appear to be particularly lavish. In Rome, such elegant shops as Gucci and Fendi are so crowded with Christmas shoppers that late-comers have been forced to queue up outside. Carla Fendi, one of five sisters who run the family's fashions, furs and luggage firm, predicts that sales will be up 20% over last December, led by bestsellers "with the most style and flair," like gold lace blouses at $600 apiece. Gucci has leather jeans at $500 a pair, while Doney's café on the Via Veneto is finding buyers for a $100 wicker basket holding only a bottle of champagne, a toy dog and a small package of chocolates.

As for sprees, much of the country is destined to spend the holidays on skis. Three million Italians are heading for the slopes this season. Inexpensive winter resorts report that reservations are running about the same as last year. But fashionable places like Cortina d'Ampezzo and Madonna di Campiglio show increases of as much as 22%. Less adventuresome spenders have plenty of high-priced entertainment to choose from. At Milan's La Scala opera house last week, for instance, the season's opener, Wagner's *Lohengrin*, was sold out at $160 a seat.

In other times of adversity, Italians have found that living well is the best revenge, and this Christmas they face no shortage of woes. Inflation is spinning along at 19%. The budget deficit for fiscal 1981 is estimated at $42 billion, almost 41% higher than the previous year. Unemployment, by official figures at least, has reached 2 million. That represents a 25% jump since the last national binge, the monthlong vacation that shuts down the country each August.

Politically, Italy is, as ever, teetering on the brink of instability. Spadolini became Prime Minister last summer after Christian Democrat Arnaldo Forlani was forced out by a scandal involving the membership of high government officials in a mysterious Masonic lodge. So far, Spadolini seems to be faring reasonably well. In a recent poll, 62% of those interviewed approved of the way he is handling his job, a high figure in a notoriously cynical electorate. But the jovial Prime Minister has a handicap. A member of the small center Republican Party, he is the first non–Christian Democrat to head a government in 36 years. Even a small crisis could bring down his fragile five-party coalition government and send Spadolini through those swinging doors.

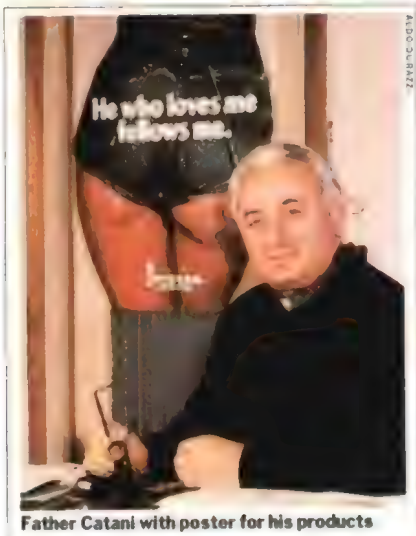
A more unsettling danger is political terrorism, from both the Red Brigades of the left and the neo-Fascists of the right. Partly as a result of improving police intelligence, acts of violence tapered off this autumn, but there were still 753 incidents in the first ten months of the year. In a shootout on a Rome street two weeks ago, two policemen were seriously wounded and a right-wing terrorist, Neo-Fascist Alessandro Alibrandi, was killed. Next day, in retaliation, a member of the national police was shot to death.

Actually, most Italians do not seem concerned about whether the economy dips, the government falls or the shootouts take place in the Prime Minister's Chigi Palace. Italy is a living paradox: the more its political and economic life deteriorates, the more its citizens seem to enjoy *la dolce vita*. As distress from terrorism or corruption grows, ordinary Italians are withdrawing into *individualismo*, which means ignoring the social structures and doing one's own thing, and *familismo*, or pulling back into family togetherness. Such universal disengagement does not shatter the nation. Instead, it keeps Italy functioning remarkably well. Explains Author Italo Calvino: "Italians know that they can count only on their own individual strength, that it is useless to expect anything from an authority whose institutions do not function."

Such an individualistic response may

Shoppers, above, studying a Rome store windo

Christmas foods piled on Rome's Piazza Vittorio



ALDO DURAZZI

Father Catani with poster for his products

not be wise in the face of massive national problems, but it has been an antidote to bad times since Italy became a nation. Italians, who seem to have an expression for just about everything, have coined an especially apt one to describe the way life goes on while institutions flounder: *malgrado*, meaning in spite of.

Thus the people survive, indeed flourish, in spite of a vast gap between them and their ineffective governments. They survive in spite of a welfare system out of control, schools and social services in disarray, flagrant corruption and a bureaucracy so swollen and inept that it is mocked as *lacci e laccioli*, shackles and snares. A letter arrived two weeks ago at the home of one Giuseppe Baggio in Bassano Del Grappa. Baggio had mailed it to his mother from a military prison camp 37 years ago. Many Italians were surprised: the letter had actually arrived.

To get what they really require, Italians have learned to bypass the bureaucracy. One way to do this is by means of a *raccomandazione*, a good word put in by a well-placed politician for a job or a favor. Another is by using *clientelismo*, or finding friends of any type with leverage. A company in Parma, for instance, wasted months trying to obtain a telex machine from the Post and Telecommunications Ministry. Finally the firm turned to a local politician. Two months after the telex was installed a letter came from the ministry in Rome: "We are sorry, but we cannot approve your application."

Malgrado also allows Italians to joke about life's little insults. Strikes, work stoppages and high absenteeism are commonplace in industrial life. When workers do show up, many are marginally productive. Money-losing Alfa Romeo, according to one joke, intends to compete with Japanese auto imports with one scientific breakthrough and one miraculous innovation. The scientific breakthrough is an engine that runs on water. The miracle is that assembly-line workers will actually work.

Even if their country does not function efficiently, Italians are living surprisingly well, as the Christmas celebrations demonstrate. Italy imports more French champagne than any other nation in Western Europe and is second only to France in purchases of Scotch whisky. Italians also lead the Continent in ownership of vacation homes. Automobile sales may be down elsewhere, but in Italy so far this year they are up. Only one out of 167 Italians owned a car 30 years ago. Today the figure is one out of four, and the result is some of the world's most spectacular traffic jams. Notes Author Enzo Biagi in his book *Il Buon Paese* (The Good Country): "The Italian lives in insecurity, spends with desperation, wants to have a good time because he expects the worst."

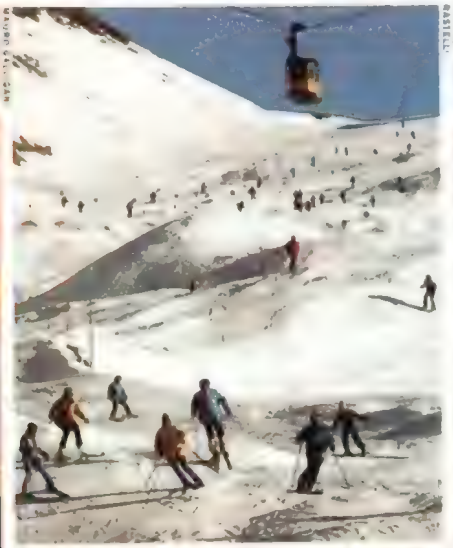
Such contradictions between the image of imminent collapse and the reality of good living puzzle outsiders. Asked for an explanation by students at the University for Foreigners in Perugia, a professor of Italian history said: "In Germany, do you have a St. Francis of Assisi? Do you have a St. Januarius of Naples? You must understand: Italy is the land of miracles." Others prefer less mystical explanations. Insists Banker Silvano Bambagioni: "The Italians are like a polar bear at the North Pole. They have learned to survive in a difficult environment."

Perhaps the most cogent explanation was delivered by the late Ugo La Malfa, Spadolini's predecessor as Republican Party leader. "Italy," insisted La Malfa, "really comprises two nations, the nation of profit and the nation of loss. The nation of loss is made up of the huge corporations, mostly state-owned, that are shackled by political pressures, union regula-

VITTORIANO RASTELLI

first-nighters, below, at La Scala; Twins Enrico and Franco Rosati, above, framed by their wool

MAURO GALLIGANI



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Skiers trying the slopes at Madonna di Campiglio

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tions and bureaucratic regulation to the point that they cannot show a profit. The nation of profit is the medium-size, privately owned firms and those below, on down to cottage industry, where individual initiative and motivation have full play. It is that level that has saved the Italian economy." And, La Malfa might have added, underwritten the good life.

The nation of loss is indeed in poor shape. Government-subsidized industries—steel, cement, autos, shipbuilding, airlines—are losing money at the rate of $5 million a day, partly from inefficiency, partly from political pressures. The vast Montedison petrochemical complex, for example, could save an estimated $180 million annually by firing 9,000 redundant workers among its 114,000 employees. But union leaders will not agree, and politicians who made *raccomandaziones* for those workers in the first place do not want to get involved.

The drain on the economy from such losses would be considerably worse were it not for the nation of profit. Small business everywhere is surprisingly strong. In the Tuscan city of Prato (pop. 160,000), for instance, the profits of family-owned textile businesses amounted to $1.5 billion last year, or about as much as Montedison and the rest of the chemical industry lost. Prato has 15,000 "factories," of which 13,000 employ ten people or fewer. The yellow stucco houses present strange sights: family wash hanging out of the upstairs windows, while lower floors are filled with spindles, looms and dye vats.

The line between employer and employee is hazy in Prato, and the town's artisans easily cross it. Twin brothers Enrico and Franco Rosati resigned from a family business in 1967 and founded their own company to produce carded wool. The twins' $24,000 investment has blossomed into annual sales of $40 million. Francesco and Rosa Palmieri moved north from Sicily 35 years ago and became itinerant clothing peddlers. Now they and their four children, with their spouses, own and work at a family firm whose sales have soared in ten years from $10,000 to $500,000.

Even the Catholic Church has become involved in such smaller-scale businesses. The "worker priests" who once brought religion to the factory floor have been superseded by "manager priests," who supervise parish-owned companies founded to provide employment in depressed areas. Father Corrado Catani, for instance, heads a blue-jeans factory that turns out 45,000 pairs of jeans a day, including the bestselling "Jesus Jeans," as one label is called.

The most amazing sector of the nation of profit, however, is Italy's underground economy, which never shows up on official statistics. It is a result of the *scala mobile*, the official wage scale that moves up or down with cost of living indices. Most moves have been up, of course, particularly after the three powerful national labor unions won drastically higher revisions in the wage scale in 1975. Employers responded by taking advantage of a section of the labor law that exempts companies with fewer than 20 workers not only from automatic wage increases but also from compliance with regulations on benefits, safety rules and social security. Suddenly, larger companies were chopped into smaller ones. In many cases, workers defied their unions and helped with the chopping. They did so, explains Vito Scalio, a Christian Democratic member of parliament and onetime union leader, because workers believe that the unions are out of date. Says Scalio: "They still insist on representing a proletariat that wants to grow out of the proletariat class and become entrepreneurs."

One result of such industrial miniaturization was a 30% reduction in labor costs. Another has been a patchwork of local boomlets. In desperately poor Naples, back-alley businesses have grown so fast that Mayor Maurizio Valenzi can brag: "Naples exports 5 million pairs of gloves a year, yet we do not have a single glove factory." In the village of Paganico Sabino (pop. 450), a farming hamlet 50 miles northwest of Rome, the women sit together in the sun, gossiping and knitting while their men work the fields. The knitting needles fly purely for profit; the women are working for Armani, Missoni, Fiorucci and other top designers. Once a fortnight, a designer's representative collects completed knitwear and drops off a new supply of wool—and crisp lira notes. No talk about working conditions, tax deductions or social security.

Such activities show up nowhere in official economic surveys, but they are substantial. At least a million people are employed in unreported businesses. A million others hold two jobs, one of them also unreported. An additional 300,000 Italians are self-employed. About 15% of the labor force, as a result, does not officially exist—and neither do its revenues. In the view of some economists, Italy's gross national product, estimated at $393 billion in 1980, has been understated by as much as 30%.

Underground handbag-making in Naples

Small is beautiful, familismo *strong.*

This strange new version of *il piccolo è bello* (small is beautiful), has forced social scientists to do some rethinking. Explains University of Rome Sociologist Franco Ferrarotti: "In the '60s we predicted that the Italian family was disappearing. We were absolutely wrong." *Familismo,* a term coined by Florence Sociologist Arnaldo Nesti, has proved to be far stronger than national unity. Says Luigi Barzini in his classic 1964 study *The Italians:* "Italy has never been as good as the sum of all her people. The people not only defeated their rulers but also managed to invent splendid and melodramatic ways of making each humble or ignoble hour as bearable and satisfying as possible. This is the reason why their manners, food, houses, cities, love of life are so delightful."

Beneficial they may be under the circumstances, but *individualismo* and *malgrado* also contain built-in hazards. Italy imports 80% of its energy requirements, but it is the only major Western European nation that does not have a formal energy policy. Eighteen million Italians receive some sort of state pension; bureaucrats are still processing 263,000 pension applications dating back to World War II. Pension funds are already $16.5 billion in the red, and that figure could triple by 1983.

The educational system is similarly afflicted. Italy's once elite secondary schools are now accessible to anyone through open enrollment. The intention is laudable; the result is a soaring student population. The University of Rome, up from 16,000 students to 160,000 in only a few years, is producing graduates who are bitter because they cannot find work. Says Sociologist Ferrarotti: "We used to have 3 million illiterates. Now we have 1.5 million unemployed intellectuals."

To many sociologists, political scientists and other students of Italy's endemic woes, the solutions lie in tempering individualism with heightened civic responsibility. What Author Calvino calls "a national character that makes living sweeter and more pleasant" must be wedded to a sense of urgency on every Italian's part to become involved, to correct deficiencies. That may seem a difficult order for a nation with a history of running from problems instead of facing them. But if Italy functions as happily as it does with *malgrado*, how much better might it become without "in spite of "? —*By Spencer Davidson. Reported by Barry Kalb and Wilton Wynn/Rome*

New Angle on Algebra

One teacher takes on the math Establishment

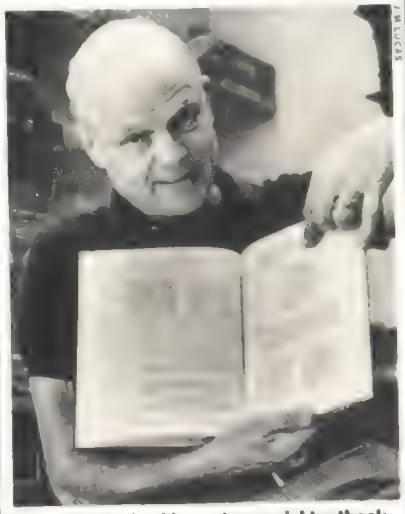
His features are as austere and regular as a mathematical formula, his carriage as straight as the vertical axis in a Cartesian graph. Teacher John Saxon's eyes are the one variable in the equation: they burn with a visionary gleam. His vision is simple: a future in which the basics of algebra, the building blocks of all higher mathematics, become understandable to all American students.

Saxon, 58, is an unlikely mathematical messiah. He still resembles what he once was: a professional soldier. A graduate of West Point, he is a World War II veteran, a decorated Korean War combat pilot and a former engineering instructor at the U.S. Air Force Academy. After retiring in 1970, Saxon began teaching math and algebra at Oscar Rose Junior College in Midwest City, a suburb of Oklahoma City.

He soon discovered that his students could not remember what he taught them from one week to the next, and as the year progressed their accumulated comprehension of algebra did not. Unlike many teachers, he did not blame the students or himself. The culprit, he finally decided, was the textbook.

Saxon became convinced that most introductory algebra texts used in high schools are unclear and confusing, often hindering students from learning the rudiments. He attributed the frightening decline in mathematics test scores across the country to abstruse textbooks written in the name of the New Math by "arrogantly inept" mathematicians who do not teach beginners. Like many other classroom algebra teachers, he found that such textbooks emphasize mathematical theory at the expense of practice and are usually written in baffling jargon. Emphasis is placed on rapid exposure to many "topics," or procedures. Before students can master one topic, explains Saxon, they must move on to a new one. The great sin, he insists, is that the books teach abstract theory first and skills second—the reverse of the order in which children normally learn.

Saxon decided to do something about the teaching of algebra. He decided, in fact, to write his own textbook. His notion was simple enough, a readable text requiring the students to do continuous review. Algebra, he points out, is a skill, and like any other, it must be learned thoroughly. In 1979 Saxon came to New York City and tried to sell his idea for an Algebra I text. The conservative world of high school textbook publishers, where new books often tend to be virtual clones of the most successful standard text, abruptly turned him away.



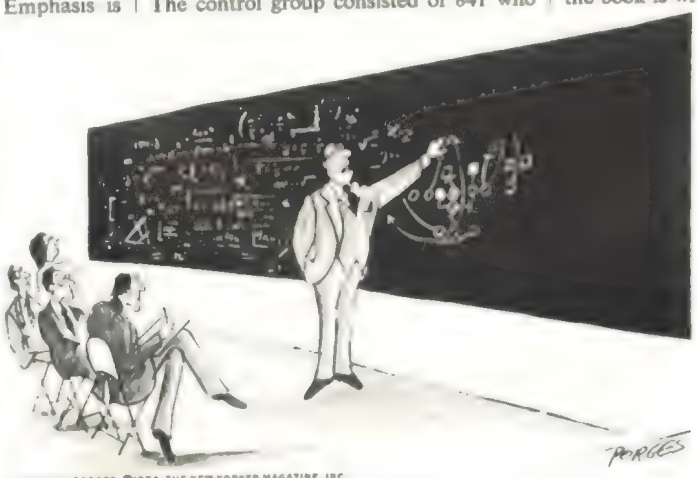
Saxon displaying his controversial textbook

Undeterred, he returned to Oklahoma to work on his book and began knocking on the doors of school principals. He managed to convince 20 of them to participate in an experiment that would test his method of teaching algebra against the standard texts. He also persuaded the Oklahoma Federation of Teachers to oversee the experiment and certify the results. In all, 1,360 students participated. The control group consisted of 841 who used the regular textbooks, while an experimental group of 519 used Saxon's text—*Algebra I, an Incremental Development*. In each school, the same teacher taught one section using Saxon and one or more classes using the standard text. The 16 short tests taken during 1980-81 were drawn from questions submitted by the teachers themselves.

The results were astonishing. Students using Saxon's book showed an overall gain of 159% as compared with the control group. The tests also revealed that Saxon students in the lowest-ability group (classified on the basis of their scores on the California Achievement Tests, given in August 1980) outscored their control counterparts by a staggering 246%. Perhaps even more surprising is the fact that the "low-ability" Saxons outscored the "high-medium" controls on every test.

Saxon soon enlisted others in his crusade. New York Publisher Bob Worth provided guidance and advice in bringing out the book under the name Grassdale Publishers. Saxon himself paid the $60,000 cost of publishing 10,000 volumes. He also sent off a barrage of letters to the media. William Buckley, editor of the conservative *National Review*, responded and became a believer. With Buckley's help, Saxon got a small foundation grant and wrote two pugnacious and polemical articles in the magazine about textbooks and the teaching of algebra. They stirred considerable controversy, bringing Saxon a national audience and, eventually, hundreds of letters from teachers and parents curious about the book. Because of the articles and the Oklahoma test results, schools all over the country are now requesting Saxon's book. Fifty schools in Oklahoma have adopted it, plus scattered schools in California, New Jersey, New York and Maryland.

Just what is it about Saxon's book that is different? The initial contrast is that the book is written in simple, straightforward, clear prose. In many standard algebra texts, students are immediately confronted by mystifying postulates, like "The reflexive property of equality states that any number is equal to itself." They are often expected to memorize a good deal of difficult abstract theory about the basic properties of real numbers such as "associative," "distributive" and "commutative." The last term means simply that three and four always make seven in whatever order they happen to be added. Saxon, by contrast, uses diagrams and examples to make the



DRAWING BY PORGES, ©1974, THE NEW YORKER MAGAZINE, INC.

"But I digress."

same point clear and only afterward says: "We may exchange the order of the numbers in an addition problem without changing the answer to the problem." According to Gerry Murphy, head of the math department at Hackley School in Tarrytown, N.Y., Saxon also tries to confront two fundamental weaknesses that afflict most Algebra I texts: the lack of a sense of continuity and connection among topics, and student failure to remember the material already covered. Saxon presents the material in small linked units, without the traditional division into chapters. Saxon treats the problem of retention by the obvious and old-fashioned device of a large number of daily cumulative review questions, examples and problems. One result, says Lionel Garrison, head of the math department at Dwight Englewood School in New Jersey, is that the book reinforces the "point that math is a reasonable approach to reasonable problems."

The report card on Saxon includes some low grades. Some teachers who have examined the book are put off by the absence of traditional chapters. Others find the book "mechanistic" and too repetitive, and think it might be boring to use in class. Bruce Vogeli, professor of mathematics at Columbia University's Teachers College, sees Saxon's innovations as insignificant and ineffectual: "One can't teach algebra only as a skill. Drill and practice are only part of the problem." He likens drilling to the lowest common denominator of algebra. Mathematical literacy, assert Saxon's critics, is not simply the ability to calculate, but the ability to reason quantitatively.

Criticism of Saxon tends to divide along the same lines as the debate about the future of American mathematics teaching. There are those who advocate a return to basics through practice and drill, and those who insist that practice without abstract theory is ultimately limiting. Both sides are in a sense right. Yet Saxon's main point contradicts neither. He simply affirms that Algebra I is not the place for obscure theory, which can be introduced later, when students know how to use algebra well enough to profit from it. "Algebra is the basic language of all mathematics beyond arithmetic," he says. In his view, today's puzzled students do not really master the introductory grammar. They must first become fluent with fundamentals.

The root of the word algebra is the Arabic *al-jabr*, which means "bringing together." Saxon's synthesis of traditional practice and drill with the fundamentals of modern algebraic theory taught clearly may provide an alternative to the present dismal state of mathematics teaching. Alfred North Whitehead, the English mathematician and philosopher, once noted that "the study of mathematics is apt to commence in disappointment." If John Saxon is right, the study of algebra may not end so. —***By Richard Stengel. Reported by Jeanne-Marie North/New York***

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Check your local listings for time and channel.

Namath and Fawcett hitting the showers for their TV commercial

Kennedy honorees: (from left), Serkin, Robbins, Hayes, Grant and Basie

People

Farrah Fawcett as **Orson Welles**? Well, not quite in bulk, but maybe a wee bit in skills. Asked to perform in a TV commercial for Fabergé hair products bearing her name, Farrah, 34, wrote the ad, okayed the cinematographer, had a hand in picking the props and even chose her co-star, ex-New York Jet **Joe Namath**, 38. "I saw the ad in my mind and it came out exactly as I wanted it," says Farrah. "It has a sense of humor." The 30-sec. spot calls for Farrah to take a shower with Namath, with whom she teamed up in the early '70s for a Noxema ad. Joe has been the longtime spokesman for Fabergé's line of men's cologne, Brut. "I wrote the commercial with Joe in mind," says Farrah. "There is sweetness and vulnerability in that macho shell."

Jackson dabbing a farewell tear

Nofziger coming out of the Santa closet for Washington fund raiser

A one-week vacation in Jamaica, a two-week sojourn in Hawaii, a 1982 Cadillac. Those were the principal gifts given to outgoing Atlanta Mayor **Maynard Jackson**, 43, last week by his admirers at a teary farewell dinner in the Georgia capital. Jackson has served the two four-year terms that local law allows. Among the 1,300 friends who turned up for the $100-a-plate affair were Singer **Gladys Knight**, and former U.N. Ambassador and Atlanta Mayor-elect **Andrew Young**. "I don't know that anybody's going to fill your shoes," said Young as he surveyed Jackson's ample 6-ft. 3-in. frame. "And certainly not your suits."

■

He pulled up to Washington's National Press Club not in a sleigh, but in a dark blue Dodge. Dressed in his customary rumpled civies, Presidential Assistant **Lyn Nofziger**, 57, bore little resemblance to St. Nick. Fortunately the illusion improved slightly after Nofziger sausaged himself into the red-and-white threads of **Santa Claus**. He inherited the Santa job when he agreed to serve as honorary chairman of a benefit for Washington's Children's Hospital National Medical Center. "It was really tough sledding," said Nofziger. "Now I know why Santa has such a good garden—he's always ho-ho-hoing."

■

"What attracts me to this role is the chance to play both a young innocent and an intelligent girl who has made the choice of living intensely." So says Actress **Nastassja Kinski**, 20, a veteran of seven movies and a few romances (Directors **Roman Polanski, Milos Forman**), in Paris to film *Exposed*. In the picture Kinski plays a girl who trades in her protected life in the rural Midwest for a career as a fashion model. "She wants to be obsessed by something," says Kinski, who has been fretting a bit about her own career. "I thought film was ruining my life," she confesses. "But I am starting to enjoy it—to be a good actress, one has to live first."

■

The Kennedy Center Honors gala, just four years old, has emerged as one of the hottest tickets in the capital. The some 2,000 guests who attended this year's event witnessed the presentation of lifetime-achievement awards in the performing arts to an august quintet: Actor **Cary Grant**, 77, Actress **Helen Hayes**, 81, Jazzman **Count Basie**, 75, Choreographer **Jerome Robbins**, 63, and Pianist **Rudolf Serkin**, 78. The gala will be broadcast by CBS on Dec. 26. Said a pleased Hayes, "Us oldtimers were like kids who were graduating *magna cum laude*—we were really sailing above the earth."

—By E. Graydon Carter

Kinski modeling for *Exposed*

Morandi *Still Lifes*, 1952 and 1953: He eschewed the grabby oppositions of color that make an image "memorable" on first sight

Art

Master of Unfussed Clarity

A wonderful lesson in seeing from Italy's retiring "Monk"

When Giorgio Morandi died at the age of 73 in 1964, he was, from the view of modern art that revolves around "movements" and historical groupings, a kind of seraphic misfit. He was not a joiner, moved nowhere, did a little teaching, and spent most of the last 45 years of his life in a slightly musty, secluded flat in Bologna, the red-brick provincial city whose reluctant cultural ornament he had become. In all his life he stepped out of Italy only to cross the border for a few brief trips into nearby parts of Switzerland. *Il Monaco*, one critic nicknamed him, the Monk: a big heavy man, gray on gray, shuffling between the dark outmoded tallboys, painting little groups of bottles and tins, or a vase with one paper rose stuck in it.

Throughout his career, Italian culture buzzed with manifestoes, claims and counterclaims. Before World War I, the Futurists tried to marshal art into a relentless machine-age spectacle. In the '20s and '30s, Mussolini and his cultural gang strove to co-opt Italian modernism into Fascist propaganda—dynamism, simplification. By the late '40s and '50s, socialist realism (especially in Bologna, which prided itself on its worker traditions) was trying, amid clouds of polemic, to become the house style of Italian art. All through this, Morandi stayed where he was, looking at his plain table of dusty bottles.

No other major modern painter has less to tell us about the tensions of history and the facts of the 20th century than Giorgio Morandi; none, except Matisse, retired more completely from the "confrontational" role expected of the avant-garde. Today Morandi's renunciation of the art world as a system seems noble, exemplary and perhaps inimitable. He disdained all ambitions that could not be internalized, as pictorial language, within his art. This earned him the reputation in some quarters of a *petit-maître:* a man who, though he said it very well, had only one limited thing to say.

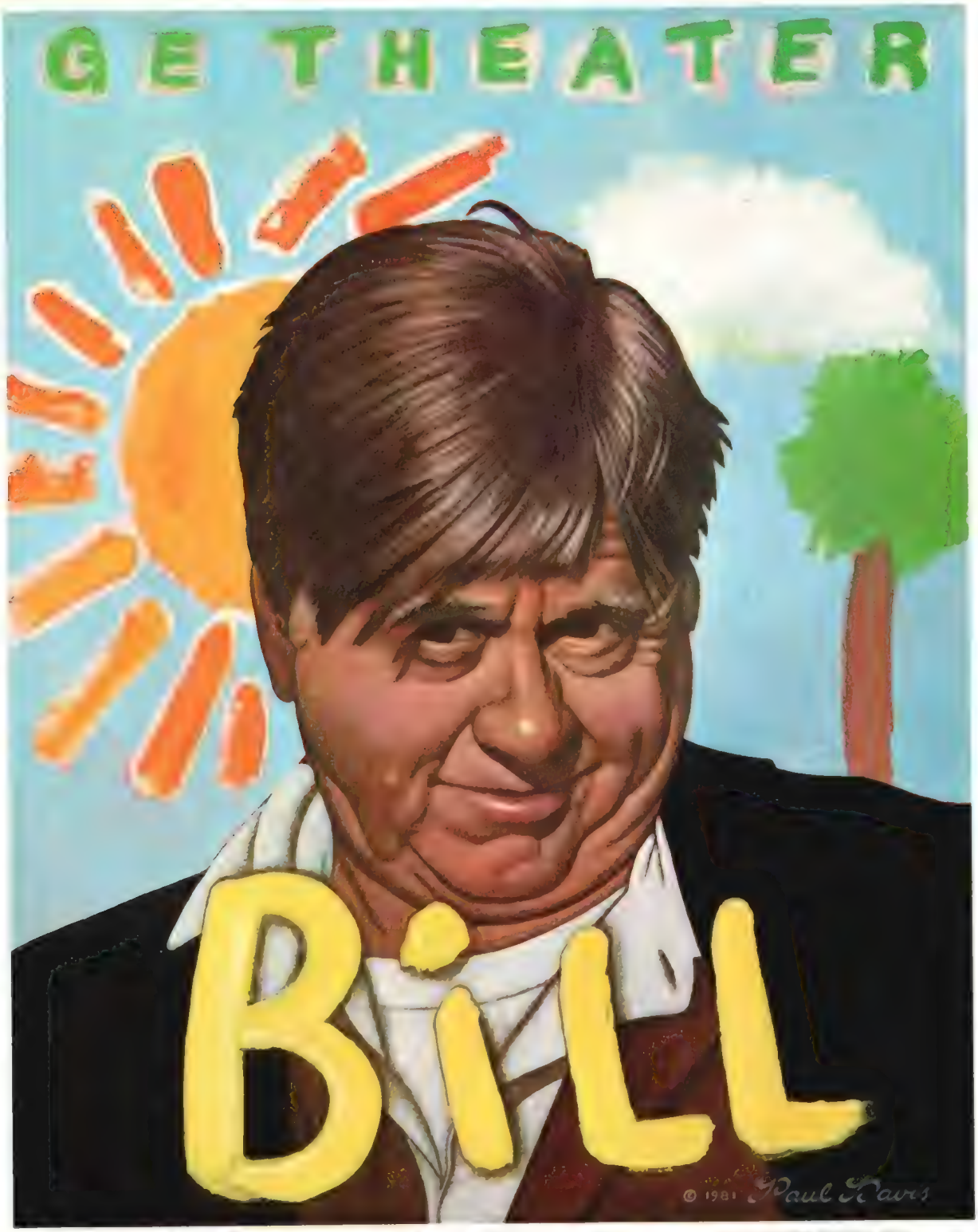
The untruth of this verdict can readily be seen in New York's Guggenheim Museum, where the first American retrospective of Morandi's work—65 paintings, with 58 drawings, watercolors and etchings—is on view until mid-January, after which it will travel to the Des Moines Art Center, which is responsible for having organized the exhibition.

"Here are most of my paintings," Morandi said to a reporter in the mid-'50s, pointing to a thick dried crust of waste pigment that had accumulated through years of wiping on the crossbar of his easel. Morandi erased more paintings than he finished; his self-editing was relentless, a fact which should give pause to anyone who supposes there might not have been much difference between one still life and the next. But the differences, like the nature of his work itself, are hard to catch in words. One can easily say what the paintings are not. They do not tell stories. They do not point to any kind of action "out there." They tell us nothing about Morandi the man. They are not dramatic, colorful or "modernist" in any doctrinaire way. And though they are saturated in historical awareness, they are unlike most still lifes that were done before them.

Morandi *Still Life*, 1951: Simplicity is deceptive

The typical still life of earlier centuries—the 17th century Dutch table, say, cascading with parrot tulips and gold beakers, fur, fruit, fish, feather and dewdrops—was a symbol of appropriation. It declared the owner's power to seize and keep the real stuff of the world. Even the still lifes of that great master of meditative vision, Chardin, tend to retain this emblematic quality; it was written into his social background. In Morandi, things are otherwise.

The sense of display is abolished. The objects are inorganic and dateless: milky long-necked bottles and squat flasks, a biscuit tin, a fluted bowl, some long-beaked metal pitchers. They



What can you learn from a 51-year-old, mentally handicapped man? You can learn about courage, compassion, dignity, and love. And maybe something about yourself.

Starring Mickey Rooney and Dennis Quaid · CBS-TV
Tuesday, December 22 · Check your local listings for the time.

WE BRING GOOD THINGS TO LIFE.

GENERAL ELECTRIC

Crown Royal
My sock runneth over.

carry no marks, patterns or brand names. They look fragile and contingent, but they endure for decades, through picture after picture. (To make sure that nothing disturbed the precise relationships he put them in, Morandi drew chalk circles around the bases of his "models" on the surface of the table.) Sometimes the things have the look of architecture; the slender bottle necks, leaning together, vaguely recall the towers of Bologna and San Gimignano. Occasionally their groups, bound together by some mutual gravitation of shape, might remind one of people insecurely huddled on the edge of Morandi's small flat earth, the tabletop.

The way they are painted looks awkward at first, ill defined—but only because it makes no concessions to haste. Morandi used no short cuts. He eschewed the sharply abbreviated shapes, high contrasts of tone and grabby oppositions of color that make an image "memorable" on first sight. Instead, the things in his paintings seep deliberately into one's attention. They start vaguely, as little more than silhouettes, a vibration of one low color against another.

Gradually they "develop" on the eye, and one begins to grasp their internal relationships: how articulate the subtle sequence of tones may be, in a form that once looked flat and light brown; how many colors may be contained, as dusty hints and afterimages of themselves, in what seemed to be a sequence of gray patches. If the straight side of a bottle seems to waver, it only does so to remind us how mutable and hard to fix the act of seeing really is. And if the shapes look simple, their simplicity is extremely deceptive; one recognizes in it the distillation of an intensely pure sensibility, under whose gaze the size of the painting, the silence of the motif and the inwardness of the vision are as one.

As Art Historian Kenneth Baker points out in the catalogue to this show, Morandi chose an art that could not frighten or persuade, as the mass-media imagery of Italy was intent on doing; his struggle was "to purge representation of its manipulative potential so that painting . . . might be carried on without cynicism or apology." Modestly, insistently, Morandi's images try to slow the eye, asking it to give up its inattention, its restless scanning, and to give full weight to something small.

When Japanese aestheticians spoke of the quality of things known as *wabi*, they had in mind something like this: the perfect nature of humble ordinary objects, seen for themselves, in a state of unfussed clarity. Chardin had this most of the time, and Vermeer nearly all of it; Manet and Georges Braque, in very different ways, understood it; and Morandi's entire life was predicated on the prolonged search for it. That is why the Guggenheim's show provides such a wonderful lesson in seeing, a metaphysical oasis in the ballyhoo and braggadocio of late modernism. —*By Robert Hughes*

Video

Heerrre's Johnny: On the Spot

In Britain, the Tonight *show speaks an alien tongue*

The Brits are baffled. Burbank? Governor Jerry Brown? Medflies? Orson Welles on a windy day? Cronkite? Rather? And what is that marmoset doing on Johnny Carson's head?

Well, as to that last, it is playing a supporting role in what may be the weirdest export since *Dallas* got dubbed and sent to Japan. The NBC *Tonight* show has been shipped to Britain, where a 40-minute version airs once a week, some days after its U.S. showing, to a bit of national befuddlement, considerable indifference and a few shreds of outright hostility. Carson's opening monologue, with its repeated references to daily U.S. political folkways and wild consumerism, may be delivered in what is—roughly—considered a common language, but the jokes turn out to be not fully translatable. Maybe subtitles would help. Or footnotes.

Why is that marmoset on Carson's head?
"I hope the people will give it a chance."

Or maybe nothing. London Weekend Television Ltd., which ordered 13 Carson shows, and has since signed up for 13 more, is flying directly against heavy weather from both viewers and reviewers. Michael Grade, director of programs for L.W.T., says he chose to start running the *Tonight* show eleven weeks ago because "American TV is extremely popular. The critics ask us why we put on so much American rubbish, but what they hate the public loves."

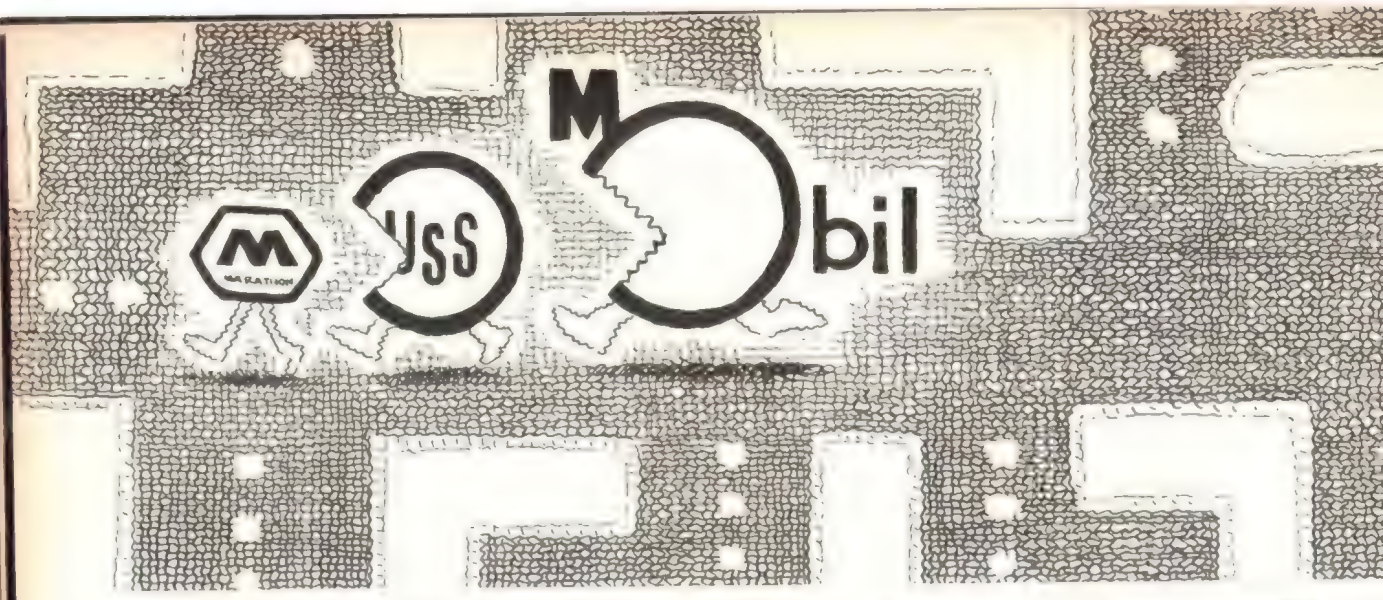
Statistics do not necessarily bear out this conclusion. Up against weekly Saturday-night competition of soccer highlights and a drama on the BBC, Carson "has averaged a 36% share of the viewing audience," by Grade's reckoning. But Britain's Broadcasters' Audience Research Board lists the top ten programs on each channel. *Tonight* has not joined the roll call. It seems for once that the viewing public may be speaking as one with the critics.

"Who is this Johnny Carson guy?" wrote a London *Standard* reader. "I find it very difficult to laugh when the chat-show king is earning a multimillion-dollar salary reading cue boards." The pros were even rougher. Announced TV Critic Margaret Forwood in the *Sun:* "To be frank, Carson got right up my nose." Said Joe Steeples of the *Daily Mail:* "His monologue could be in Swahili for all we get from it."

On the defensive, Director Grade—nephew of the impresario Lord Grade—told Carson and his staff that he was "delighted" with the first shows. Grade also said that "Carson seemed a bit hurt that the U.S. papers picked up the worst quotes in the papers here" and, for a more moderate view, directed the curious to a *Sunday Times* column by TV Critic Russell Davies. That was largely an act of existential futility, like trying to hide from a blizzard inside a freezer. Davies wrote that the premiere *Tonight* show "had catastrophically equated our national tastes with those of Benny Hill," then proceeded to nail Carson's guests, his audience, his tailoring and "a marmoset [that] peed endearingly on Johnny's head and an aardvark [that] shat in a sandbox." Nevertheless, Davies concluded his well-turned roast with an exemplary demonstration of fair play: "Against the run of all this evidence, I insist that Carson is worth having."

Carson says that it is difficult to play to two audiences. "I never expected to be a tremendous hit in England," he says, "but I hope the people will give it a chance to settle in." But three regional television companies have given the ego a beating by dropping the show. Said a spokesman for Central Scotland television: "Our audience didn't like it, and more important, didn't understand it. Seventy percent of the jokes mean Sweet Fanny Adams to us up here."

Meantime, Michael Grade is leaving to "go to work for Lear." This does not mean that he is auditioning for the Royal Shakespeare Company, however, only that he is becoming president of Norman Lear's TV production company in California. This will put him an ocean away from Sweet Fanny, but within hailing distance of Burbank, allowing him to watch the *Tonight* show five times a week. ■



Economy & Business

Clash of the Titans

Mobil tries some tough tactics in its battle to take over Marathon Oil

With stunning swiftness, the $6.5 billion battle between Mobil Corp. and U.S. Steel for control of Marathon Oil turned nasty last week. Mobil, still frustrated and angry over its defeat by Du Pont earlier this year in the struggle to take over Conoco, seemed on the brink of losing again. Then Mobil suddenly went on the offensive with a daring ploy. The oil company announced that it intended to buy up to 25% of its bidding rival, U.S. Steel. Said one banker involved in the dealing: "They have tried to put a gun on the head of U.S. Steel."

Executives of the nation's largest steel producer agreed. They denounced the Mobil move as "a very reckless action aimed solely at coercing U.S. Steel to abandon its acquisition of Marathon." Reckless or not, Mobil revealed that it already owns 450,000 shares of U.S. Steel. And at the current stock price of $31⅞ a share, the one-quarter ownership of the steelmaker would cost Mobil only about $700 million.

Financial experts speculated that Mobil was really trying to force the steel company to drop out of the bidding for Marathon or, alternatively, to get control of enough U.S. Steel stock so that the steel company would have to give up part of Marathon. Such aggressive tactics have worked before. Dome Petroleum of Canada last spring bought about 25% of Conoco as a means of compelling that company to relinquish interest in a Canadian oil property that Dome wanted.

The latest U.S. Steel–Mobil skirmishing was a perhaps fitting climax for a year of Brobdingnagian company mergers, and it also brought out increasing protests about corporate takeovers. Mobil is now viewed by many in the financial community as a reckless predator that is willing to spend extravagant sums and stop at almost nothing to acquire another oil company. Meanwhile, critics charge that U.S. Steel should be spending its money to update its antiquated and uncompetitive steel plants rather than trying to buy a company in an industry far removed from its field.

Mobil entered the battles for Conoco and Marathon because it desperately wants to get additional domestic oil and gas sources to ease its dependence on supplies from Saudi Arabia and some potentially unstable countries. Even though Mobil spent $4.3 billion on domestic exploration and production between 1976 and 1980, its U.S. reserves declined by 6% in the past five years. Buying Marathon could increase Mobil's American oil supplies by 75%. For example, the Yates Field in West Texas, where Marathon owns a half-interest, now produces 100,000 bbl. a day.

Mobil, however, has been hamhanded in its efforts to buy another oil company. Some industry observers blame its failures on the insistence of Chairman Rawleigh Warner and President William Tavoulareas that they plan their own tactics without consulting outside advisers. Mobil lost out to Du Pont in the contest for Conoco by coming in with a low bid. Its initial $5.1 billion offer for Marathon in October was also immediately denounced as "grossly inadequate" by the company's president, Harold Hoopman. Said a leading investment banker: "If Mobil had bid $126 a share from day one, instead of $85 a share, they would have cut out U.S. Steel from the beginning."

Some Wall Streeters speculate that in addition to seeking new American supplies of crude, Mobil is trying to find the limits of the Reagan Administration's antitrust policy. Says Philip Dodge, an oil analyst for Donaldson, Lufkin & Jenrette: "Mobil is really testing how far it can go in bidding for another oil company. In going after Conoco last summer, it never became clear whether there would be any antitrust objections."

Mobil's bet-a-billion tactics, though, are disturbing many executives in the oil industry. Says one competitor: "If Mobil continues to be this aggressive, there may be new antitrust legislation. It would be better if they started to back off." Responds President Tavoulareas: "You're bound to be criticized as lead dog. Other oil companies just don't have the guts to do it."

Mobil has long been the lonely end of the oil industry. Consigned to runner-up status among petroleum refiners behind giant Exxon, it has earned a reputation for being combative and controversial. While some oil companies were worried about the political impact of venturing into other areas of business, Mobil jumped into re-

Illustration for TIME by Michael Witte

tailing by spending $1.8 billion to buy Marcor, the parent company of Montgomery Ward.

Mobil's bid for Marathon seemed doomed almost from the start. The company suffered defeat after defeat in a series of legal battles fought on several fronts. Last week a federal district court judge in Cleveland again upheld his own decision that the Mobil takeover would reduce competition among gasoline retailers in the Middle West and should not be permitted. Only a few days earlier, another federal court judge in Columbus denied Mobil's request to stop U.S. Steel's offer for Marathon.

The biggest setback of all came at the hands of the Federal Trade Commission, which has become generally more promerger since the beginning of the Reagan Administration. The FTC sued Mobil for violation of antitrust laws in order to block the takeover bid. The FTC has left a loophole, though, that would allow Mobil to go ahead if it gives up some of Marathon's gas stations and its distribution network. But the agency still refused to consider Mobil's offer to sell off part of Marathon's holding to Amerada Hess Corp., another oil company, as a way of maintaining competition in markets where both Mobil and Marathon do business.

U.S. Steel, meanwhile, has executed some brilliant takeover strategy maneuvers. It has already acquired the right to buy Marathon's share of the Yates Field for $2.8 billion if the company is bought by Mobil or any other corporation. U.S. Steel also obtained an option from Marathon to buy an additional 10 million shares of its stock, which would make it harder for Mobil to gain controlling interest in the company. Mobil, of course, could try to block both moves in court.

Mobil's fumbling maneuvers apparently have convinced Marathon shareholders that the oil giant will never be able to buy the company, even though it is now offering $1 a share more than U.S. Steel. As a result, more than enough investors are willing to sell their shares to the steel company for the $125 it offered to give it controlling interest. Said a Wall Street banker involved in the negotiations: "Unless Mobil can pull a rabbit out of the hat, it will lose."

Marathon's executives and their advisers were confident last week that they could defeat Mobil's latest threat. If the oil company starts buying U.S. Steel stock, the price of it is likely to shoot upward, which would make the deal less attractive. And under a federal law that requires prior notice for the purchase of large blocks of stock, Mobil has to wait at least 30 days before it can begin to acquire any more shares of U.S. Steel. But although Mobil's latest shot seems likely to fail, no one is underestimating the oil company's resourcefulness. Said one industry analyst: "Mobil is like the shark in *Jaws*. You never know where it's going to pop up." —***By Alexander L. Taylor III. Reported by Frederick Ungeheuer/New York and Paul A. Witteman/Detroit***

Tapping Alaska for More Energy

Congress paves the way for the natural gas pipeline

At a cost that could exceed $43 billion, the 4,800-mile Alaska-Canada natural gas pipeline will be the most expensive privately financed construction project in history, surpassing by far the $9 billion spent on the 789-mile Alaskan oil pipeline during the 1970s. Last week the U.S. House of Representatives passed a bill already approved by the Senate that could make the project the most controversial as well.

By a 230-to-188 vote, the lawmakers approved a package of waivers to the Alaska Natural Gas Transportation Act, which set the ground rules for the project as early as 1976. The three U.S. natural gas producers involved in the deal—Exxon, Standard Oil of Ohio and Atlantic Richfield—will be allowed to share ownership in the pipeline with the Alaskan Northwest Natural Gas Transportation Co., the ten-company consortium that plans to build it. A 1977 presidential decision barred such an agreement on antitrust grounds, but the backers argued that the change was needed to pay for the project.

Another part of the legislation will allow the pipeline's owners to begin sending gas bills to consumers even before the pipeline is completed and fuel starts flowing. The companies insisted that this was necessary to protect investors should the pipeline be delayed or blocked by legal action in the U.S. or Canada. Construction on the Alaskan oil pipeline was halted for five years because of an avalanche of court cases by environmentalists.

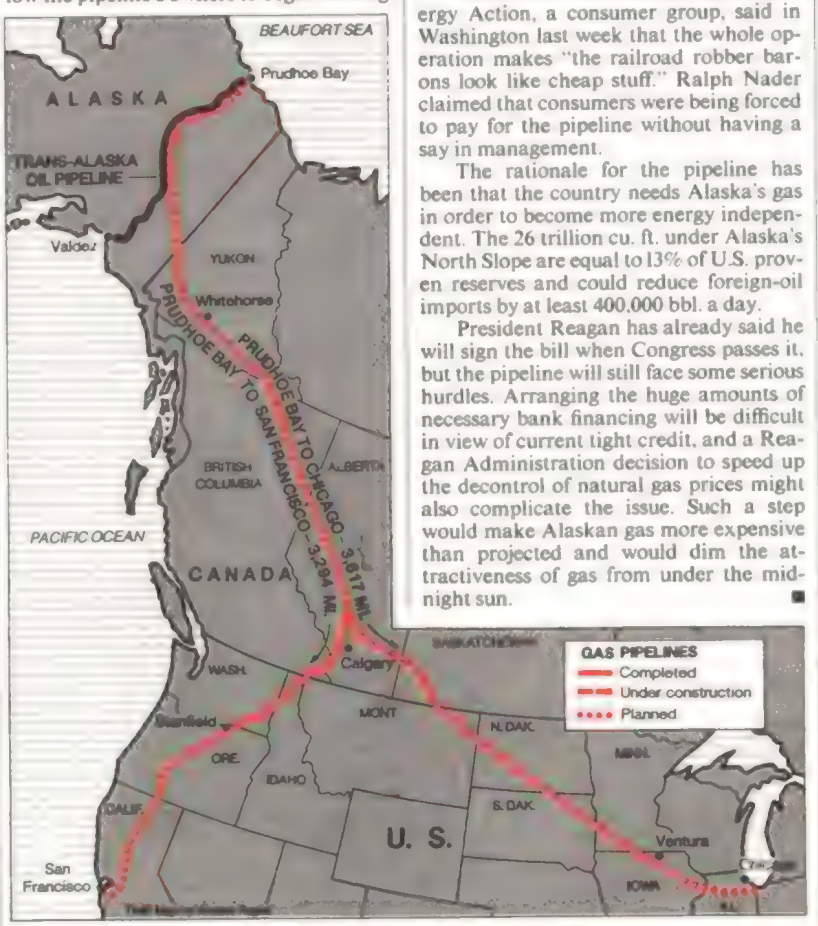
The bill allows the Federal Energy Regulatory Commission to set a deadline for the construction of the pipeline. If this is not met, the companies could begin billing consumers in 42 states for the cost of the project. A House Energy Committee study estimates that those bills could range from zero to $191 a year for household customers and up to $25,000 annually for industrial users. One clause in the bill would permit the companies to make such charges even if the pipeline is never completed.

Critics say that these prebilling conditions are no more than a way to put the risks of building the pipeline on the shoulders of consumers. Said House Democrat Harold Volkmer of Missouri: "This is one big rip-off."

Actor Paul Newman, a founder of Energy Action, a consumer group, said in Washington last week that the whole operation makes "the railroad robber barons look like cheap stuff." Ralph Nader claimed that consumers were being forced to pay for the pipeline without having a say in management.

The rationale for the pipeline has been that the country needs Alaska's gas in order to become more energy independent. The 26 trillion cu. ft. under Alaska's North Slope are equal to 13% of U.S. proven reserves and could reduce foreign-oil imports by at least 400,000 bbl. a day.

President Reagan has already said he will sign the bill when Congress passes it, but the pipeline will still face some serious hurdles. Arranging the huge amounts of necessary bank financing will be difficult in view of current tight credit, and a Reagan Administration decision to speed up the decontrol of natural gas prices might also complicate the issue. Such a step would make Alaskan gas more expensive than projected and would dim the attractiveness of gas from under the midnight sun. ■



Everyman's Tax Shelter

Expanding the I.R.A.s sets off a savings free-for-all

On Jan. 1, the opening bell rings for what promises to be one of the most competitive struggles in financial history. The tax bill that Congress passed this year made some 50 million more Americans eligible for tax-sheltered Individual Retirement Accounts. Sensing a bonanza, bankers, as well as brokers, mutual funds and insurance companies, have unleashed a barrage of full-page newspaper ads and direct-mail come-ons aimed at attracting new I.R.A. investors. Says Len Deininger, manager of the group pension department at Prudential Insurance Co.: "I have never seen anything like this before. The competition is really getting fierce."

Created by Congress in 1974, I.R.A.s allow wage earners to put aside a portion of their income into special accounts, where the money earns interest tax-free until it is withdrawn during retirement years. At that time, in most cases, a person's income, and thus his tax bracket, has gone down. Besides regular bank deposits, the I.R.A. money can be invested in stocks, bonds and a host of other ventures.

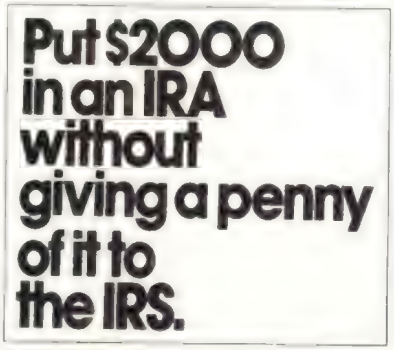
Until now, only people not covered by company pension plans were eligible. But beginning next month, virtually every worker will be able to open a tax-sheltered account. Moreover, Congress has boosted the maximum annual individual contribution to an I.R.A. from $1,500 to $2,000.

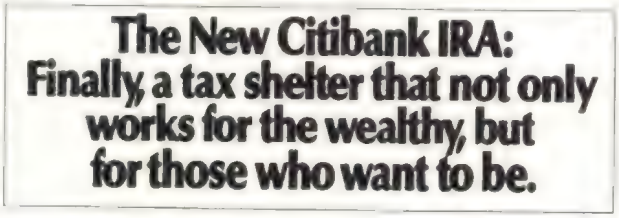
The expanded program is expected to draw in at least $20 billion annually, and so financial institutions are pitching I.R.A.s with all the enthusiasm of oldtime snake-oil salesmen. Many advertisements promise investors that if they start saving now, they can be millionaires in their golden years. An ad run by Chase Manhattan Bank, for example, points out that a couple saving $4,000 annually will pile up $1.3 million after 30 years, if the interest rate stays at a 12% level.

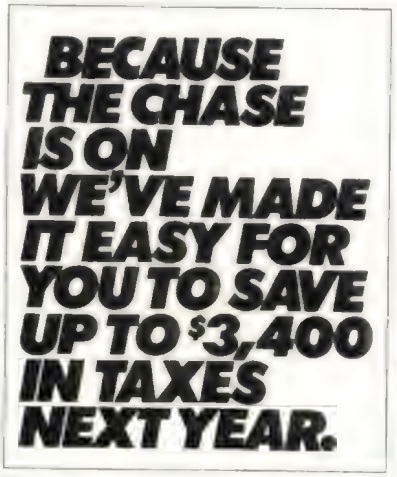
Other promotions play upon fears that the Social Security system will go bankrupt. Long Island Trust, a commercial bank in New York, produced a newspaper ad showing a hand holding a Social Security check for $235.59. Across the face of the check is stamped: "Insufficient Funds." Reads the caption: "Will Social Security retire before you do?"

The best selling point in addition to the tax-free status, though, is high interest rates. Federal bank regulators decided last month to let financial institutions pay whatever interest rates they want on I.R.A. accounts. The yield on virtually every other kind of savings deposit is still subject to strict ceilings. Passbook accounts, for instance, can pay no more than 5.5%.

Most banks and savings and loan associations are not yet saying precisely what the return will be on their I.R.A.s when the new program begins next month. They are waiting to see what happens to the general level of interest rates in the economy. But some institutions are offering hefty short-term bonuses to entice customers to sign up ahead of time. In Los Angeles, Republic Federal Savings will pay interest at an annual rate of 20% for the rest of the year to savers who open accounts early. The deposits do not become tax-free I.R.A.s, however, until January. A similar deal at First Federal of Chicago, which offered an annual rate of 16% interest in December, attracted 506 deposits totaling some $800,000 within four days.







Newspaper come-ons for the new accounts

Bankers and brokers sense a bonanza.

Banks and S and Ls currently hold more than two-thirds of all I.R.A. deposits. They hope to maintain their dominance of the market by stressing the safety of their accounts, which are insured up to $100,000 by the Federal Government. Says Ronald Johanson, first vice president of Boston's Home Owners Federal Savings: "Ultimately, people want protection. That's the grabber."

More venturesome investors will have a wealth of other options. Mutual fund companies are aggressively selling an I.R.A. smorgasbord consisting of various kinds of stocks, bonds and money-market securities. Fidelity Management Group, for example, has eleven such funds. For an annual fee of $10, Fidelity customers can switch their money between these funds as changing economic conditions cause the stock market and interest rates to gyrate. Big brokerage houses like Merrill Lynch offer I.R.A. investments including partnerships in real estate deals and special accounts that allow investors to pick their own securities and trade them with unlimited frequency.

Insurance firms hope to capture a big share of the I.R.A. pie by focusing on lucrative group plans for companies interested in helping their employees save for retirement. Under such arrangements, workers can have a set sum deducted regularly from their paychecks and invested in an I.R.A. administered by the insurance company. Connecticut General Life Insurance Co. has already recruited the employees at 500 firms, including NCR.

The hype now swirling around the I.R.A.s is almost a replay of the fanfare that marked the introduction of the tax-free All Savers Certificates last October. That gimmick proved to be much less popular than anticipated, but financial analysts do not expect the same fate to befall the new I.R.A.s. To begin with, the All Savers Certificates are available only in the form of deposits at banks, S and Ls and credit unions. Moreover, the All Savers program was designed as a temporary measure to aid the ailing financial industry and is due to expire at the end of 1982.

In contrast, the expansion of I.R.A. eligibility is a permanent step likely to be a powerful incentive for saving. Says Treasury Secretary Donald Regan: "I think the I.R.A. device will do more to stimulate savings than anything else we've got in the tax package." Some economists estimate that the I.R.A.s will lift the personal savings rate from its low average level of 5.5% in the past five years to 8% by 1984. If that happens, the U.S. will have a swifter flow of funds to finance the capital investment it needs to restore robust economic growth. —*By Charles Alexander.*
Reported by Bernard Baumohl/New York and David Beckwith/Washington

Catch a Falling TriStar

Lockheed decides to drop out of commercial aviation

Business sense won out over pride last week, as the Lockheed Corp. announced that it was stopping production of its spectacularly unprofitable L-1011 TriStar wide-bodied jetliner. The California aerospace giant has lost $2.5 billion on the TriStar since 1968 and, with airlines currently mired in a three-year-long slump, it could see no relief in sight. Chairman Roy W. Anderson said that there was "no other choice but to begin now to phase the TriStar out in an orderly manner." The company will now concentrate mainly on defense production.

When the last of those jets is delivered in 1984, the American civil aviation business, which still produces 85% of the Western world's commercial jet aircraft, will be down to just two companies: Boeing and McDonnell Douglas. Both of them are also caught in the turbulence of the worldwide slowdown in air travel. Douglas had to swallow $144.3 million in development costs for the DC-9 Super 80 at a time when it sold only twelve DC-10s, and warned in September that it might have to stop production of wide-bodied DC-10s if the Air Force canceled orders for a military tanker version.

Even mighty Boeing is facing a drop in business. The Seattle-based firm has taken only 23 orders for its jumbo 747 in 1981, as compared with 49 last year, and just 24 for the medium-range 727, down from 74 in 1980. Also troubling Boeing is the proposal by American, Air Canada and other airlines to refit their aging 727 planes with new engines rather than buy the new aircraft the company has designed. Boeing Chairman T.A. Wilson already admits that sales next year will be much slower than in 1981.

Trouble struck Lockheed's TriStar just after the first of the 300-passenger jets rolled off the Palmdale, Calif., assembly line. Production temporarily stopped in February 1971, when Britain's Rolls-Royce, the prime engine supplier, went bankrupt. The British government took over Rolls-Royce's aero-engine division, but demanded proof that Lockheed was financially sound before providing the equipment. Lockheed was indeed in trouble, but Congress approved a controversial $250 million loan guarantee for the company. The first TriStar was delivered to Eastern Air Lines in April 1972, about six months later than scheduled. The delays and uncertainties caused by the Rolls-Royce bankruptcy gave Boeing and McDonnell Douglas an additional competitive lead in the wide-bodied market. Lockheed was never able to make up that disadvantage, even though airlines found the TriStar plane reliable and efficient. The largest TriStar customer was Delta Air Lines, which operates 35 of the 220 now in service, and is buying three of the remaining 24 on firm order.

End of the line: workers putting final touches on L1011s in Palmdale, Calif.

The well-regarded jetliner lost millions for its builder even when times were good.

Lockheed flew into more turbulence during the mid-1970s, when it admitted making questionable overseas payments. The ensuing scandals rocked the Japanese and Italian governments, and in The Netherlands, the then queen's consort was forced to give up virtually all his military and business positions. The jumbo jet even gave Lockheed headaches when times were good. Orders poured in so fast in 1978 and 1979 that the company was forced to pay premium wages and materials prices to meet the unanticipated demand. The result: Lockheed lost $199 million on the TriStar last year, and the company's overall earnings fell 51%.

The end of the TriStar program should improve Lockheed's financial position. The firm's stock rose from 41⅛ to 49¼ on the day after the announcement. Sales of the TriStar accounted for only about 18% of Lockheed's $5.4 billion in revenues last year. The company is the sixth largest American defense contractor and its most profitable products are missiles and space and electronic equipment followed by military air transports and reconnaissance jets.

But military contracting can be troublesome too, despite the vaunted plans of the Reagan Administration. The U.S. Navy announced last week that it was planning to cancel the purchase of at least $1.25 billion worth of Lockheed's P-3C Orion antisubmarine aircraft in order to save money for other programs.

Although Boeing's sales are slowing a bit, the company still dominates world commercial aviation. Boeing now has enough back-ordered planes to keep it busy into 1986, and it will be putting a new craft into service annually for the next three years: the 767 in 1982, the 757 in 1983 and the 737-300 in 1984. The first 757 will be unveiled next month in Seattle. Just behind those planes are plans for a new craft code named the 7-7. This would be a 150-passenger plane. Boeing is currently talking to the Japanese government's Central Transport Development Corp. about possible joint production of the 7-7.

McDonnell Douglas is looking to defense business to keep its assembly lines full. The company sold $2.2 billion worth of DC-10 and DC-9 aircraft last year, or about 37% of the firm's $6.1 billion in revenues. Analysts expect the commercial share of sales to shrink due to slowing air traffic and a rising backlog of government orders. The company's military hardware includes Harpoon anti-ship missiles and F-15 Eagle jet fighters. But McDonnell Douglas will not be dropping out of commercial aviation. It has signed a memo of understanding with Fokker aircraft of The Netherlands to study the possibility of a new 150-passenger jet that would compete with the 7-7.

While U.S. aviation manufacturers are running into troubles, the European Airbus, a medium-range wide-bodied jet that flies about 250 passengers and is built by a consortium of four governments, continues to make inroads. Airbus Industrie has passed both McDonnell Douglas and Lockheed to become the second largest seller of commercial jets in the world. A total of 320 of the wide-bodied airliners have been sold since 1974. The consortium is also planning a plane for the highly competitive 150-seat market. One interested prospect: Atlanta-based Delta, currently the most profitable U.S. carrier. America's once unchallenged supremacy in commercial aircraft may well be gone forever. —*By John Greenwald. Reported by Jerry Hannifin/Washington and Joseph J. Kane/Burbank*

Selling Romance, British Style

Laura Ashley goes from a kitchen table to sales of $100 million

A world in search of old-fashioned romance has closely followed this year's fairy-tale stories about Britain's Prince Charles and the Princess of Wales. Selling British romance has also proved a fine business for Laura Ashley Ltd., which has turned a blend of Victorian ruffles and patterns into a nearly $100 million-a-year women's wear and home-furnishings company. The firm's line of frilly blouses, pastel flowered bedspreads and quilted tea cozies now sells from San Francisco to Singapore and from Milan to Melbourne.

The company co-founders at home

Laura Ashley stores present buyers with a carefully planned atmosphere of gentility: china cups sprinkled with dainty flowers, velvet or taffeta ball gowns with lace collars, ruffled canopy curtains atop four-poster beds. Half of the sales come from women's clothes, the other half from decorating products. The firm traces its success to the distinctive, neo-Victorian look of all its goods, which creates a setting where Charlotte and Emily Brontë could easily feel at home. Says Peter Revers, president of the firm's American operation: "Laura Ashley sells life-styles, not products per se—English life-styles."

The business began on a kitchen table in the basement flat of Laura and Bernard Ashley in London's Pimlico district. Starting in 1953, the couple printed designs on fabrics and made some of the material into towels and napkins that were sold in London shops. Their first runaway bestseller was a set of tea towels that was a copy of 19th century designs.

One of this year's taffeta dresses

Corduroy culotte with a cotton blouse

Designers for the Victorian revival

That, and all the couple's later products, bore the touch of Victorian England and became known in fashion circles as the Laura Ashley look. A succession of items, including striped garden smocks with three large pockets in front, and long, flowing dresses, sold well in the U.S. and Britain. In 1961 the Ashleys set up their first factory in an old dance hall in Carno, Wales. Opening an experimental shop in Kensington in 1968 convinced them that they could sell their products better than wholesalers could and, without middlemen, at lower prices.

At first the company grew slowly, held back by a lack of long-term capital for expansion. But with Laura doing the designs and Bernard organizing the factories, which now number 14, the firm eventually prospered. The couple's two sons and two daughters also help out in the marketing and design departments of the company.

The Ashleys have divided the labor; sometimes they have a division of views too. Says she: "The company is design-dominated, not accountant-dominated." Bernard interjects: "I'm not sure that is quite right. We are run by profit managers." She responds: "I don't mind accountants—as long as they keep their place." Laura admits that she no longer attends company board meetings because "it was not a good idea for a husband and wife to be there together."

Since the mid-'70s, Laura Ashley Ltd. has ridden the Victorian revival and the renewed appreciation of delicate, curving and ornamental patterns in place of austere and mechanical design. The number of the firm's shops has increased from 55 to 100 since 1978, while sales have gone from $34.8 million to almost $100 million. The company's fastest-growing market at present is the U.S., where annual sales this year will almost double to $13 million. After opening new shops last month in Fort Lauderdale, Fla., Cleveland and outside Chicago, Laura Ashley now has 15 stores in the U.S. The firm plans to open ten more next year.

As a result of their business success, the couple from the basement flat in Pimlico has won a British export award and been invited for a visit on the royal yacht *Britannia*. The Ashleys now live much of the year in a 17-bedroom, 18th century château in northern France. At a small airfield near by, Bernard keeps a Beechcraft King Air plane, which he uses to fly off to business meetings. And while fashion trends come and go, Laura Ashley intends to continue selling ruffles and romance. Says she: "What the eye sees is important. High tech is too hard; people need softness." —*By Kenneth M. Pierce. Reported by Mary Cronin/London and Jane Van Tassel/New York*

Religion

Darwin *vs.* the Bible

"Creation science" goes on trial in Arkansas

All 70 seats reserved for the press were full, and so were the 175 places for spectators. A lonely demonstrator wandered in and out of the courthouse in a monkey suit. But U.S. Marshal Charles Gray was not impressed by the hubbub. "When this is all over," he reflected, "it won't have changed anyone's mind." Gray surely has it right. The federal trial that began last week in Little Rock, Ark., will lead to a legal ruling on whether "creation science" (secular evidence for, among other things, the supernatural origin of the universe) may be required in public schools where the theory of evolution is taught. But after all the lawyers and experts have finished, after the press has gone, the old Bible Belt battle between Darwin and the Good Book will go right on.

This new case, coming 56 years after the Scopes "monkey trial," was testimony of that. But this time around, claim Fundamentalists, opponents of the new law are the ones guilty of censorship. When the Arkansas legislature overwhelmingly passed the Balanced Treatment Act last March, the American Civil Liberties Union went on red alert. Though the act explicitly says it is nonreligious, its origins are indisputably Fundamentalist. Such "neutral" bills, requiring that creation science be taught side by side with evolution, have been promoted for years by California's Institute for Creation Research, one of many such groups lobbying against Darwinism. To the A.C.L.U., along with alarmed educators, the local Roman Catholic bishop and an assortment of Protestants and Jews, the law was an unconstitutional state effort to push a religious belief.

Monkey-suit demonstrator in Little Rock

A creator of a universe is certainly a god.

At the trial, a phalanx of heavyweight civil liberties lawyers, prepped by 60 scientific consultants, faced a far less-experienced Arkansas legal team. Last week the A.C.L.U. rolled out its case and it was crushing. The lead-off witness, United Methodist Bishop Kenneth Hicks, termed the bill a clear-cut "transgression of the First Amendment." University of Chicago Theologian Langdon Gilkey was unimpressed by the fact that the state law carefully did not mention God by name. Said he: "A creator is certainly a god if he brings the universe into existence from nothing."

Next came the scientists. G. Brent Dalrymple of the U.S. Geological Survey attacked creation science at its weakest point: the contention that the earth is some 10,000 years old. It is more like 4.5 billion years, said Dalrymple, who scorned the creation contingent as flat-earthers. Francisco Ayala of the University of California at Davis, an ex-priest turned geneticist, ran a brief seminar on amino acids to show that man and monkeys evolved from a common ancestor, but conceded that God could be behind the whole process.

The bulk of the state's case will be presented this week. Its lawyers are arguing that evolution is fully as religious (or nonreligious) as creation science, and that evolution cannot meet the strict definition of science any better than creation science can. "You shouldn't reject creationism just because it comes from the Bible; you test it scientifically," says one state witness, Dr. Norman Geisler of Dallas Theological Seminary. Several scientists will testify that the odds are improbably high that all species arose from a primordial cell through natural selection.

The case inevitably will go to the U.S. Supreme Court. Meanwhile, the A.C.L.U. is challenging Louisiana's virtually identical law, and creation lobbyists are at work with more than 15 state legislatures as well as textbook publishers and local school boards across the nation. So whatever Federal Judge William Overton rules, perhaps late this week, little will be settled. ■

Milestones

MARRIED. Hamilton Jordan, 37, Chief of Staff to President Jimmy Carter and now a visiting fellow at Emory University in Atlanta; and **Dorothy Henry,** 25, a graduate student in nursing at Emory; he for the second time, she for the first; in Allentown, Pa., Henry's home town.

DIED. Jerry Wurf, 62, maverick president of the American Federation of State, County and Municipal Employees; of a heart attack; in Washington, D.C. Wurf became president of A.F.S.C.M.E. in 1964 and, through aggressive organizing and bargaining over the next 17 years, built it into the nation's largest public employees union. Wurf helped found the Congress of Racial Equality during the 1960s and was among the key strategists for Civil Rights Leader Martin Luther King Jr.

DIED. Thomas Corcoran, 80, savvy Washington lawyer and lobbyist who helped shape Franklin D. Roosevelt's New Deal; of a pulmonary blood clot; in Washington, D.C. Corcoran, who had once served as law clerk to Supreme Court Justice Oliver Wendell Holmes, became an influential member of F.D.R.'s brain trust. Nicknamed "Tommy the Cork" by Roosevelt, Corcoran served as a presidential speechwriter and liaison with Congress, and helped write the Securities Exchange Act of 1934 and the Fair Labor Standards Act of 1938. He was one of Roosevelt's key aides in the Chief Executive's losing battle in 1937 to add six more Justices to the U.S. Supreme Court. Corcoran went into private law practice in 1941 and, using his contacts made in Congress and federal agencies, successfully represented major businesses and defense contractors. Periodically accused of influence-peddling, he once remarked, "Every time I wag my ass on the Hill, someone reads cosmic importance into it."

DIED. John Kieran, 89, naturalist author and erudite answer man on the popular radio and television show *Information Please;* in Rockport, Mass.

DEATH REVEALED. Hans Krebs, 81, 1953 Nobel co-prizewinning biochemist who discovered the ways in which food is turned into energy; on Nov. 22; in Oxford, England. Born in Germany, Krebs was a researcher in Berlin in 1932 when he discovered the urea cycle, a biochemical process in which urea, the product of metabolized protein, is formed in the liver. Four years later, after fleeing to England from Nazi Germany, he discovered the citric acid cycle—later named the Krebs cycle—in which organisms convert carbon compounds into carbon dioxide. In the late 1950s, he discovered the glyoxylate cycle, in which fats are used as carbon sources for cell growth. Krebs, a naturalized British citizen, was knighted in 1958.

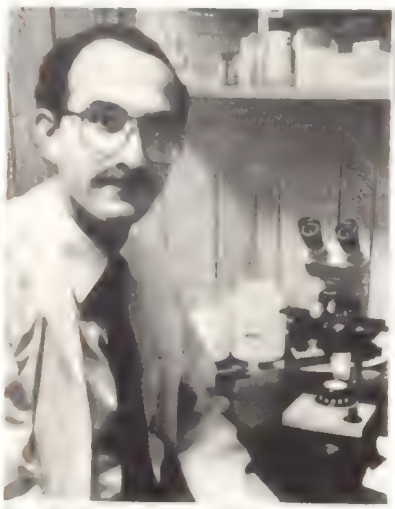
Medicine

Opportunistic Diseases

A puzzling new syndrome afflicts homosexual men

Kaposi's sarcoma is a rare cancer that appears as violet patches on the skin and infiltrates the digestive and lymph systems. In the past, its victims have been mainly children in equatorial Africa and elderly people of Jewish or Mediterranean extraction. But now the disease is taking an alarming toll on another distinct group, American homosexual males. In the past six months, the disease that usually afflicts fewer than two people out of 3 million Americans has stricken 95 individuals, more than 90% of them homosexual men, most of whom are in their 30s. The death rate so far exceeds 20%.

This cancer is only one of a variety of ailments that have been suddenly turning up in young homosexual men, according to last week's *New England Journal of Medicine*. Known to doctors as "opportunistic diseases," they strike when the body's natural immunological defenses are down. Previously they were seen mainly in organ-transplant and cancer patients. Among such medical opportunists are pneumocystic pneumonia, a parasitic lung infection that has killed 60% of its victims, and herpes simplex and cytomegalovirus (CMV), two commonplace microorganisms that are generally brushed off by healthy people.



New York Internist Daniel William

"Promiscuous behavior increases risk."

Severe immunological vulnerability poses some tricky medical problems. "Specific infections can be treated," says Internist Henry Masur of New York Hospital–Cornell Medical Center, "but the person will usually just come down with another infection two months later." Masur has seen homosexual patients besieged by bacteria, fungi and offbeat viruses, all in quick succession. "Why this group has something suddenly wrong with its immunity is a mystery."

At the Centers for Disease Control in Atlanta, a team of researchers is trying to piece together the clues from more than 180 cases of Kaposi's sarcoma and pneumocystis. Nearly all the victims come from big cities with large homosexual communities: New York, Los Angeles and San Francisco. A number of them report a high level of sexual activity with numerous partners. Though this kind of activity increases the suspicion that the disease or some factor in it is sexually transmitted, researchers have been unable to trace the syndrome from sexual partner to partner as they often can with venereal diseases. In addition, they are puzzled by the fact that another group that usually suffers the same venereal ills as active homosexual men is not affected: female prostitutes.

One possible culprit in the syndrome is cytomegalovirus, which is known to weaken immune defenses and can be transmitted in semen more than a year after infection. In a recent study, traces of CMV were found in 94% of homosexual men, as opposed to 54% of heterosexual men. U.C.L.A.'s Dr. Michael Gottlieb believes that CMV does contribute to the immune deficiency, but, he points out, both the virus and homosexuality "have been around for thousands of years." Thus, he concludes, "there is a piece of the puzzle missing."

The missing link could be "poppers," drugs like amyl nitrate and butyl nitrate, which are said to enhance orgasm. More than 85% of the CDC patients admitted to inhaling them. Another possible explanation is the so-called immunologic overload theory, says San Francisco's Dr. Robert Bolan. Homosexuals with many sexual partners often contract numerous venereal diseases, intestinal disruptions (gay bowel syndrome), mononucleosis and other infections, explains Bolan. "This constant, chronic stimulation to their immune system may eventually cause the system to collapse."

Whatever the cause, doctors are advising potential victims to be wary of severe infections or any prolonged illness characterized by fatigue and weight loss. They are also warning homosexuals to limit their sexual contacts. "Promiscuous behavior is an old-fashioned term that nobody likes to use," observes New York Internist Daniel William, "but it increases the risk." ■

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1860 *TODAY*

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Carmen, but Not Bizet's

An opera about an opera in 82 minutes

The setting is a decrepit building in a seedy district of Paris, not far from the rumbles and whistles of the Gare du Nord. Its inside walls are crumbling. Its seats are long, hard wooden benches, and the stage is nothing more than a dirt floor. Yet this unprepossessing site is currently selling the hottest ticket in Paris: to Director Peter Brook's radical version of *Carmen*, Georges Bizet's classic opera of love and death in old Seville.

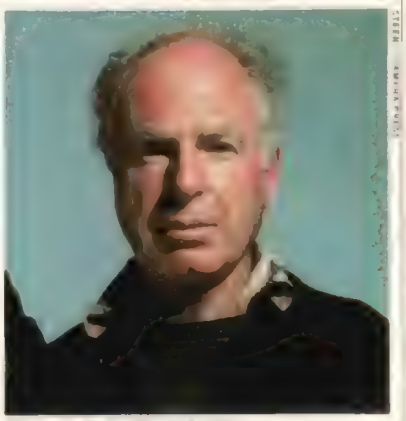
Like the theater in which it is playing, called the Bouffes du Nord, this is a stripped-down, no-frills *Carmen* far removed from traditional opera-house conventions. It lasts just 82 minutes, with no interval, and uses only four singers, plus two speaking actors. The full orchestra has been reduced to 15 musicians. Everything unnecessary to the plot has been jettisoned in an effort to return to the sun-baked spirit of the original Prosper Mérimée novella. Gone are the choruses of soldiers and cigarette girls, as well as most of the opera's secondary characters. Instead, the focus is on the hotheaded Basque dragoon Don José and his fatal passion for the dark-eyed gypsy Carmen. Brook has even given the work a new title: *La Tragédie de Carmen*.

This is a time of startling directorial innovations in opera. Patrice Chéreau's controversial Bayreuth staging of Wagner's *Ring* cycle (1976) featured Rhine maidens frolicking near a hydroelectric dam and Siegfried wearing a dinner jacket. But what Brook has done goes beyond accepted notions of radicalism. Essentially, he has recomposed Bizet's masterpiece, discarding whole sequences, changing the order of arias, even putting the overture near the end. The implicit arrogance of all this does not trouble Brook. "Opera is not a musical contract on paper, something between attorneys," he says. "The whole essence of theater work to me is to regard a score as an indication of what the composer had in his imagination." The director's task, adds Brook, is to produce what the composer had in mind when he wrote the piece, not "duplicating what's on paper."

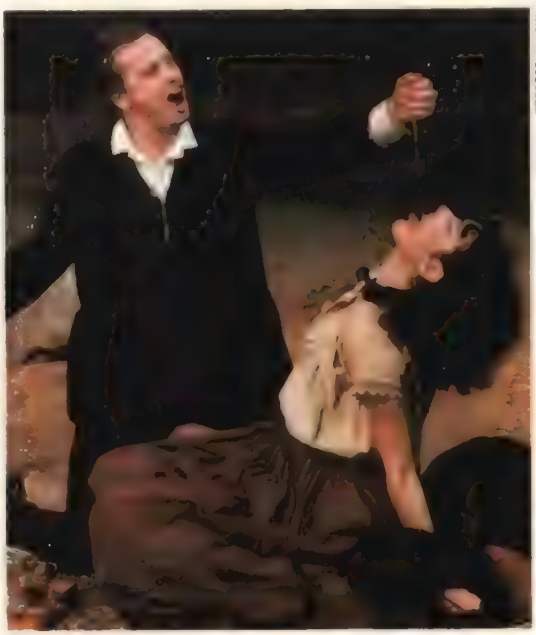
This, of course, is nonsense. Usually what the composer puts down on paper *is* what he had in mind. True, opera librettos have occasionally been censored (as was Verdi's *Rigoletto*), and sometimes the exigencies of performance required certain concessions in the music itself. *Carmen*, a failure when it was first performed at the Opéra Comique in 1875, was outfitted after Bizet's death with recitatives by Ernest Guiraud to replace its original spoken dialogue. But this did not change the essential character of the composer's conception.

What Brook has produced is not *Carmen*, but a critical commentary on *Carmen* —an opera about an opera. In this he has succeeded. In the 550-seat Bouffes du Nord, the drama has more power than it possibly could in a 3,000-seat opera house. Brook has chosen his singers as much for their acting skills as for their voices. By tightening the plot he creates dramatic situations beyond anything envisioned by Bizet's librettists (Henri Meilhac and Ludovic Halévy) or even by Mérimée. In this version, Carmen and Micaela, Don José's girlfriend from back home, are direct rivals and have a real fight when Carmen carves a bloody cross on Micaela's forehead.

In a jealous rage Don José kills two men—his lieutenant Zuñiga and Carmen's husband García (a character in Mérimée's story). By the time Carmen's turn comes, he has nothing left to lose, no emotion to spend, and he plunges a knife into the kneeling woman's back as if he were an executioner doing his job. For her part, Carmen is an even more explicitly sexual creature than she is usually portrayed. She sings the famous *Habanera* while engaging in some erotic byplay with a cigar, thrusting it into Don José's mouth at the words *"L'amour, l'amour."* In its total bleakness this is *Carmen* seen by a man familiar with Alban Berg's operas *Wozzeck* and *Lulu*, twin 20th century masterpieces of love, alienation and despair. The production also reflects Brook's distaste for conventional Bizet, which goes back to the time, 30 years ago, when he was production chief at London's Royal Opera House. "I looked with horror at how it was being presented. It had become a mausoleum." Controversy is nothing new for the flamboyant British-born director. In 1949 he produced a scandalous *Salome*—largely because of bizarre sets by Surrealist Painter Salvador Dali. He has set Shakespeare's *A Midsummer Night's Dream* in what resembled an abandoned squash court, with the actors flying about on trapezes. Earlier this year, he staged Chekhov's *The Cherry Orchard* with rugs as virtually the only props.



Director Peter Brook in Paris



PHILIPPE COQUEUGEON

Escamillo (Falkman) frolics with Carmen (Delavault)

Scrambling the arias and playing the overture at the end.

Brook defends his treatment of *Carmen* as something historically necessary: "Brick by brick, layer by layer, opera has been encased over the centuries to the point where today it is perhaps the most unnatural object in the whole of our society. To correct this, we must go back to the very roots of what the composer has in mind, to restore opera to its natural life."

But for all the production's dramatic effectiveness, it is to be hoped that Brook's *Carmen* will not be widely imitated. Would anyone think of touching up the *Mona Lisa*, redesigning St. Peter's or editing *Paradise Lost*? Opera is in many eyes a more suspect art form, and thus it is fair game. But composers usually know their own works, and later interpreters should look closely at the foundation before they start removing the bricks. —*By Michael Walsh. Reported by William Blaylock/Paris*

A Plethora of Polar Bears

Each fall the white beasts overrun Churchill, Manitoba

Halloween can be very scary in the little Canadian town of Churchill (pop. 1,200), on the western shore of Hudson Bay. This fall, before Churchill's youngsters were allowed to go out trick-or-treating, armed men checked out every street and back alley. Even after the masked and costumed kids were let loose, some adults stood guard on the outskirts of town. It was not ghosts and hobgoblins that were on their minds, but polar bears.

Though few people ever get to see the furry white beasts, except for glum captives in city zoos, there is a plethora of polar bears around Churchill, especially in fall. By the time the ice freezes on Hudson Bay, as many as 200 may have passed through what local residents call the Polar Bear Capital of the World. The onetime fur-trading center happens to sit astride one of the animals' age-old migratory routes.

When the first chill sweeps across the tundra of northern Manitoba each year, the bears, in particular the big males, begin to think about their favorite winter activity, hunting fat seals on the ice floes of Hudson Bay. With unerring instinct, they begin congregating around the bay's southwestern shores, mostly in the area of Cape Churchill, only 35 miles east of the town, where the first ice usually forms. Meanwhile, pregnant females, urged on by another instinct, head for a bleak region 50 miles south of Churchill, the largest known polar bear denning area in the world. As many as 100 females hole up there for the winter in dens scooped out of the gravel and snow to have their cubs, usually two at a time. The new families will not emerge from their hideaways until spring.

It is hardly surprising that some animals wander into Churchill. Like their ursine cousins in the U.S. national parks, the bears eat almost anything and have learned that where man is, there shall garbage be also. On almost any mid-autumn day, bears can be spotted foraging in Churchill's town dump. They often come closer in, to sniff around cabins and houses, even parked cars and vans, if they think there may be a snack inside. Polars vie with Kodiak bears for the title of largest land-based carnivore in the world. A full-grown male can weigh more than 1,600 lbs. (*vs* grizzlies at 1,000 lbs. and tigers at 850 lbs.) If the bear is determined enough, it will barge right in: few doors are much use against powerful paws that can knock out an 800-lb. seal with a single swat.

Young male taking a pause that refreshes

Sign going up at the outskirts of town

The bears are unpredictable, and almost everyone in Churchill has a personal anecdote to prove it. Says John Ingebrigtson, 62, a former shopkeeper who has lived in town for half a century: "I remember once one got into our back porch, where we kept our meat, and Mother chased him out with a broom." Al Chartier, 37, a local guide, recalls sitting on the banks of a nearby river this September while his wife and three daughters took a chilly swim. Suddenly he glimpsed a polar bear lying in the grass on the opposite shore watching them. Chartier quietly fetched his gun. But the bear never made a move toward the bathers. Says Chartier: "When they finished their swim, the bear got up and left."

Encounters between man and beast do not always end so well. Three days after Halloween, Oilworker Al Highfield shot and killed a bear that was trying to break into his house. Another citizen of Churchill stepped out of his kitchen for a moment, leaving a steak on the stove. When he got back he found a polar bear making hash of the meat. The bear totally wrecked the kitchen before fleeing.

Few people have been killed by polar bears. Though caged bears can be a menace, those in the wild rarely make unprovoked attacks on humans. The last death in Churchill occurred 13 years ago, when a 19-year-old Eskimo youth, trailing a

Ignoring a fire lit to discourage them, bears rummage in the Churchill dump

"One got into our porch where we kept our meat, and Mother chased him out with a broom."

bear, apparently approached too close and stirred the creature to rage

When their young men went on their first bear hunt, Eskimos regarded it as a test of manhood. Some Churchill residents still feel that the best response to an intruding bear is to get a gun and kill it. But now most will pick up the telephone and call the conservation officer, letting him drive the animal out of town with horns, sirens or the noise of harmless explosives. Bears, in fact, have become a growth industry in Churchill. Along with beluga whales and assorted bird life (snow geese, rock ptarmigans, even an occasional rare Ross's gull), they are an important tourist attraction, luring visitors from all over Canada, the U.S., Europe and Japan. Having seen more than 1,800 bears in his 18 years in the area, Chartier practically guarantees anyone taking his tours a chance to photograph bears—at least with a long lens. Inveterate explorers that they are, the beasts are usually drawn by curiosity to Chartier's specially reinforced tour vans and "tundra buggies."

Two large males kick up powdery snow as they prowl the tundra near Cape Churchill

Churchill's new tolerance is good news to wildlife biologists. At present, the polar bear population appears stable. There are probably more than 20,000 bears in the Arctic countries, half of them in Canada. Hunting is banned in Manitoba, as it is in the Soviet Union and Norway. There are also restrictions in other Canadian provinces and Alaska. Even so, the animals could be threatened if the search for oil and minerals continues to encroach on their habitat

The loss of such magnificent creatures would certainly be a blemish on man's record as the planet's custodian. *Thalarctos maritimus* is the very symbol of the Arctic, an animal brilliantly adapted to cope with the world's most extreme environment. The bears, though usually lethargic, can run for short bursts at more than 40 m.p.h., and have been seen swimming hundreds of miles offshore. Yet at birth they are nearly helpless: without fur, blind, deaf, no bigger than a small rabbit. For 20 months or more, the cubs follow faithfully after their mother, learning all the techniques of hunting and survival. One astonishing trick: when a polar bear is stalking prey, it will often cover its black nose with its paw in order to blend totally into the white ice, making the surprise complete. Biologists originally thought that the bears were true nomads, wandering all over the Arctic. But tagging and radio tracking suggest that at least some belong to separate population groups and remain restricted to well-defined areas

The bears of Churchill surely seem to know where home is. When they get too unruly or threatening, they are sometimes tranquilized, caged and flown to isolated regions several hundred miles away. But after a week or so, some of the deported bears inevitably show up in Churchill again, having trekked back at speeds up to 30 miles a day. Next year Churchill plans a different tactic: obstreperous bears will simply be locked up for a few weeks in sturdy concrete-and-steel cages inside an abandoned Quonset hut. During their brief captivity, they will need no care other than some watering. Finally, when Hudson Bay starts freezing and the bears begin to think passionately about chasing seals on the ice, they can be safely released. —*By Frederic Golden.*

Reported by Ed Ogle/Churchill

A tranquilized yearling is measured by Manitoba biologists. Right: a potentially unruly bear is airlifted out of harm's way

Some people still feel the best response to a bear is to get a gun and kill it

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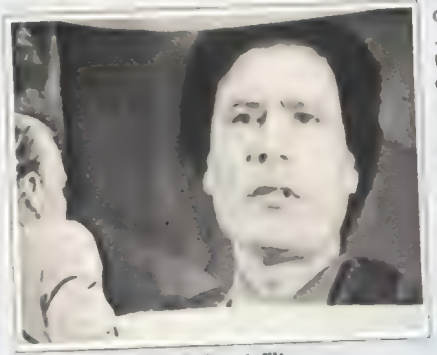
Killer Squads, Liars and Mad Dogs

That quiet Sunday television interlude before the onslaught of football, a time given over to the earnest sobriety of Washington interviews with public figures, has been broken at last. In place of ABC's *Issues and Answers*, there now looms the hour-long *This Week with David Brinkley*, the creation of ABC's hustling Roone Arledge, who also invented Monday Night Football. After a wobbly start, the Brinkley show looks like a true innovation in television journalism. In its eerie interview by satellite with Libya's Muammar Gaddafi and then in its commentary afterward—which matched Gaddafi word for fiery word—the Brinkley show made news and taught a lesson in the hazards of instant commentary.

ABC got its timely scoop by hastily deciding (on Arledge's orders, at 1 a.m. Saturday) to switch to Gaddafi as guest. In slightly fractured English, Gaddafi scornfully denied that he had sent a killer squad to the U.S. Neither his word nor his record entitles him to credence, yet in the next hour nobody on the program even mentioned, let alone discussed his denial. Perhaps it was Gaddafi's appearance that was so scary, as he huddled, dressed in collarless brown shirt and engulfed in a blue cape. As his head bobbed upward and backward, his eyes rolling up to the heavens, he looked like a Monty Python imitation of an Arab weirdo



Brinkley and Gaddafi via satellite

"It is not our character, not our behavior to assassinate any person," Gaddafi said. "It is the behavior of America, preparing to assassinate me, to poison my food. They tried many things to do this You are a superpower How are you afraid? America must get rid of this Administration as they did with Nixon, and elect another respectful President to get respect for America He is silly, he is ignorant. Reagan is liar." His interviewer in Tripoli, ABC's Lou Cioffi, asked Gaddafi what message he had for Reagan "I would have to tell him Are you mad?"

Back now to a Washington described by Brinkley as "something like an armed camp" (shots of snipers on the White House roof) Usually Brinkley's panel of journalists—now reduced to a manageable three—interview the guest, then discuss the news among themselves In place of the distant Gaddafi, they now turned to Senator Daniel Patrick Moynihan, acting Chairman of the Senate Intelligence Committee, who came on strong: "Right off, David, the President of the United States is not a liar. The dictator of Libya is a liar." There was "concrete evidence" that since 1977 Gaddafi had "targeted" U.S officials. "He's a dictator; he's mad a dangerous man."

Brinkley has been seeking a panel of interviewers who would "set off rockets," and he may be getting close For this, chemistry is all—the chemistry that produced Huntley-Brinkley, or on football Mondays offers the ill-assorted, oddly compatible Frank Gifford, Howard Cosell and Dandy Don Meredith Perhaps Brinkley and Arledge hoped for someone as abrasive as Cosell in choosing Ben Bradlee, the executive editor of the Washington *Post*

Bradlee only wanted to question, not pontificate Having to spend long hours getting out his paper, he seemed like someone who, in the jargon of diplomacy, knows the "heads of topics" but not the details. At one point he said: "I'm not really a great expert in this area," an honest statement that should disqualify him from the union of television commentators. The expertise would have to come from Columnist George Will, intelligent, dogmatic and supremely confident, who sometimes cannot conceal a look of impatient superiority. Finally, there is Brinkley, who for all his wry, clipped delivery is not a tough questioner (violence is for linemen, not quarterbacks). He brings a Southern courtly courtesy to his treatment of guests. Brinkley asked Moynihan if he had any doubts about the "killer squads."

Moynihan: At about a .8 probability

Will: Senator, a .8 probability is more probability than we usually base Government actions on; therefore, this is a serious threat . . . would you favor word being given to Gaddafi, quietly, that any violence done to an American official will be reciprocated against him?

Moynihan: Well, I'll do it publicly right now. He should understand that there will be the most severe consequences . . . At minimum, I think it's time we just stopped buying a barrel of that Libyan oil . . .

Will: But, Senator, isn't that a pretty tame reprisal against a threat to the life of the senior officials of this republic, to quit buying his products?

Moynihan: Well I don't think we should be in the business right now, George, of detailing on some hierarchy of response they should know it's going to be exceeding unpleasant. We are not going to allow a murderer to be head of state and go about murdering other people

Since "the quality of information from the CIA is so important" in this case, Bradlee asked Moynihan, "do you have confidence in Director [William] Casey, who was described this week as 'not unfit'? Is that good enough?" A master of calculated flamboyance, Moynihan can also be prudent He avoided the question, then said, "He has the confidence of the President, and let us go on now to have him pay attention to his work, which he certainly is doing "

Thank you, Senator.

Brinkley turned to his panelists "Killer squads It sounds like something out of a comic book, or one of those novels off the wire racks at the airport Does it make any sense to you?" Bradlee volunteered that since Gaddafi had called Reagan a liar and challenged him, "if, at the proper moment, the President can take up that challenge, I would think this guy's days would begin to be numbered."

Will: . Can the Western world be taken seriously in its rhetoric about terrorism, and indeed in its determination to survive, if a mad dog on the streets of the world, such as Gaddafi, is allowed to go on like this?

Bradlee How would you do it, George? Would you send somebody in there and knock him off?

Will: . How about a message—short, cryptic message—with a pedigree in American history. Reagan alive or Gaddafi dead?

Perhaps the learned historical reference is what distinguishes this talk from that heard from any Joe Sixpack in a neighborhood bar Perhaps

Horses of Different Colors

Concerning John Henry and Tom and—dead last—Mary

The champion Thoroughbred race horse of this year will be chosen next week by racing writers. It is almost certain to be John Henry, a six-year-old bay who won eight of his ten races in 1981 and $1,798,030, to extend his record winnings to $3,022,810. John Henry is not a steel-driving man exactly; he is a gelding, a tragic condition referred to around the backstretch as the unkindest cut of all.

Young race horses are gelded for being too excitable or too unexcitable: they won't train or they won't race. Geldings must have some quality, because the object is to wind up with a useful race horse. They must not have too much quality, because the big money is in breeding. Successful colts become richly syndicated stallions. At the last Keeneland summer sale, the Cartier's of horseflesh, one yearling went for $3.5 million, more than any horse ever won, even John Henry. In this cold-blooded, blueblooded business, it is a nice thought that a peasant like John Henry, who was once sold for $1,100, is going to be Horse of the Year.

Nice thoughts and horse racing do not always go together as well as they do in a Mickey Rooney script. Maybe because so many impressions are formed at the movies, horse racing is romanticized. The picture of Mickey and Elizabeth Taylor whispering in their pets' ears to go faster neglects the fact of a lot of rough little rogues cursing and beating the horses' rumps with sticks. During Spectacular Bid's stirring three-year-old season (1979), just when Bid's teen-age jockey Ron Franklin was about to be mistaken for Mickey, Franklin hopped down off a gelding named Big Vision one day and kicked him right in the stomach. So much for sentimentality.

Besides John Henry, other eminent geldings were Kelso, who made $1,977,896 from 1959 to 1966, and Forego, whose six-year career in the '70s brought $1,938,957. Today Kelso is employed in Maryland as Mrs. Richard C. du Pont's favorite saddle horse, while Forego is a pensioner in Kentucky. These are unusually fine fates for unusually fine geldings, and John Henry can breathe easy too. More typical are the fates of Neapolitan Way and Hugable Tom.

Back in 1974, the gelding Neapolitan Way finished a heroic second in the Preakness despite a cut leg. However much this endeared him to his owner and trainer at the time, his next proprietors were not as moved, and the ones after that probably never thought of it. The old campaigner tumbled down the ladder until, by Preakness day two years ago, he was reduced to cheap $14,000 claimers. With time out for bowed tendons, Neapolitan Way is still running up mileage, now at age ten.

Hugable Tom, whose death in September is under investigation, was foaled six years ago at Calumet Farm in the lushest Kentucky bluegrass. Although he won his first race, the next few were disappointments, and Hugable Tom was gelded. He became a useful horse.

While he never won a rich stake race himself, Hugable Tom served as Alydar's "rabbit" in the Flamingo, burning out the field per orders. Alydar won; Tom finished last. The story of his life: sold, claimed, reclaimed and claimed again. In the past two years Hugable Tom won eleven races, including his final one on June 20. Afflicted with degenerative hoof disease at the end, alleged to have been neglected by his trainer and said to have had to rely on backstretch helpers for food and water, he was "put down," and his carcass rendered into soap. The studs get the tombstones.

Stallions and mares have their sad stories too, of course. But the most ill-starred horse of any sex this year was a filly, a most exceptionable filly. Her name was Sunshine Mary.

She was indisputably the worst Thoroughbred race horse in Florida, the country and probably the world. She always finished dead last. In ten races she never beat even one other horse, losing the ten by a total of more than 300 lengths. "She couldn't beat me the last eighth of a mile," said her first trainer, Louis Underwood, "and I'm 76 years old."

Sunshine Mary ran pretty well in the morning, not at all in the afternoon. Every manner of bit, blinker and rider was tried, to no avail. Finally Hialeah barred her. Then a sentimental new trainer came along, John Valkanet, and somehow he saw quality in her.

In Mary's eleventh race, at Calder Race Course, she showed it. She finished tenth in an eleven-horse field—by a nose. Her next start, she beat four horses. Sunshine Mary was moving up. Valkanet's method was just to pet her, just to love her. "After a while, she didn't bite me any more," he said. "When she heard my voice, she put her head on my shoulder and I'd pet her nose. I loved her like it was some kind of Mickey Rooney story."

On the final day of August, Sunshine Mary broke from the Calder gate last, as usual. She was moving up strongly on the rail when, coming to the section of fence that is usually open in the morning for the horses leaving the track after workouts, she turned left and tried to jump the fence. She broke her neck. The veterinarian had to destroy her. Valkanet wept. Sunshine Mary's body was turned down by a pet-food company and sent to the dump.

Race fans are sentimentalists. Some will recall 1981 as the year of John Henry. Others will remember it as the year of Sunshine Mary. —***By Tom Callahan. Reported by Jamie Murphy/New York***

Willie Shoemaker drives John Henry on to victory in the Jockey Club Gold Cup

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Babar's Anniversary Album

Macaw from *As Dead as a Dodo*

The Patchwork Cat

Toward the end of his career, Picasso observed that it had taken him all his life to learn to draw like a child. It was one of the master's few unoriginal remarks. Virginia Woolf, rereading *Nicholas Nickleby* in 1939, noted, "Dickens owes his astonishing power to make characters alive to the fact that he saw them as a child sees them." And in his 1924 *Surrealist Manifesto*, Andre Breton declared, "Childhood is the nearest to true life."

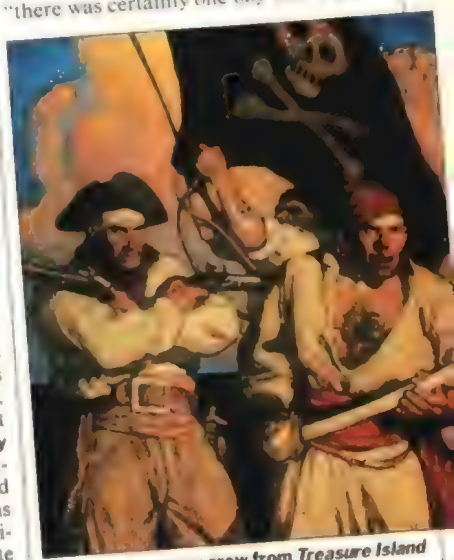
In fact, every writer and painter recalls the power of childhood, when the tumultuous variety of the real world is charged with miracles: when inanimate objects speak out, secret accomplices assume the forms of animals, and dreams are bigger than the night itself. But remembering and re-creating are different matters, and only a handful of artists can bring back the astonishments and textures of childhood. This season, the handful holds an unusually high proportion of works that manage the child's ability to render objects and emotions by drawing flat and seeing round:

At the end of one trek, the elephant who looks like an unbaked cookie sighs, "Truly it is not easy to bring up a family." And truly it is this hard wisdom that lies at the heart of the Babar classics. In his poignant introduction, Maurice Sendak, doyen of children's literature, notes that the first three books in **Babar's Anniversary Album** (*Random House; $12.95*) were written by a young, dying father who supplied Babar and the other sensitive pachyderms with a philosophy as warm as their habitat. Jean de Brunhoff's son Laurent wrote the last three works with no falling-off of humor or warmth. Brunhoff *père et fils*' double-page compositions, replete with elephantine architecture, landscapes and jokes, have the logic of fantasy and the color of gift wrapping.

Seven brothers have been changed into blackbirds, and only their sister can save them. The ancient folk tale was collected by the Grimm brothers in the 19th century; yet, in this version of **The Seven Ravens** (*Morrow; $8.95*), the principals seem as contemporary as animated cartoon characters. Lisbeth Zwerger's subdued palette and astronomical creatures owe much to Arthur Rackham, but her strange Black Forest birds and rabbits are her own, and her heroine has the lineaments and verve of an '80s role model.

Lore Segal is responsible for fluent translations of such fairy tales. Her original composition shows how closely she has studied the source. In her folkloric **The Story of Old Mrs. Brubeck** (*Pantheon; $8.95*), the protagonist is the kind of grandmother who makes worry a vocation. She finds trouble everywhere in and under the bed, around the house, in the yard, until she makes a life-altering discovery. The reason why trouble is so clinging and so dark is that it is a shadow closely resembling the klutzy figure of one Mrs. Brubeck. Marcia Sewall's illustrations provide precisely the right balance of half-remembered European tradition and modern self-help.

"Whatever be the case with most boys," notes the Chesterton biography, "there was certainly one boy who enjoyed



Long John's scurvy crew from *Treasure Island*

Treasure Island; and his name was Robert Louis Stevenson." Another full-grown youth liked it just as much: N.C. Wyeth. He filled the classic with radiant illustrations that made generations shiver at Long John Silver and his scurvy crew. This reprint (*Scribners, $17.95*) is a model of restoration, the very type face bespeaks adventure, and the artworks are reproduced with even greater fidelity than the plates in the rare first edition.

Cyrano made a big nose respectable; Pinocchio made it riotous. Warwick Hutton transforms the proboscis into an object of moral instruction in **The Nose Tree** (*Atheneum, $11.95*). Three veterans of far-off wars are kind to a homely little man who grants them magical rewards. Alas, a part-time princess and professional witch tricks them out of their finery—until the gnome shows how to change the rega nose into something resembling a length of garden hose. This ancient account o vengeance is little more than an easel fe

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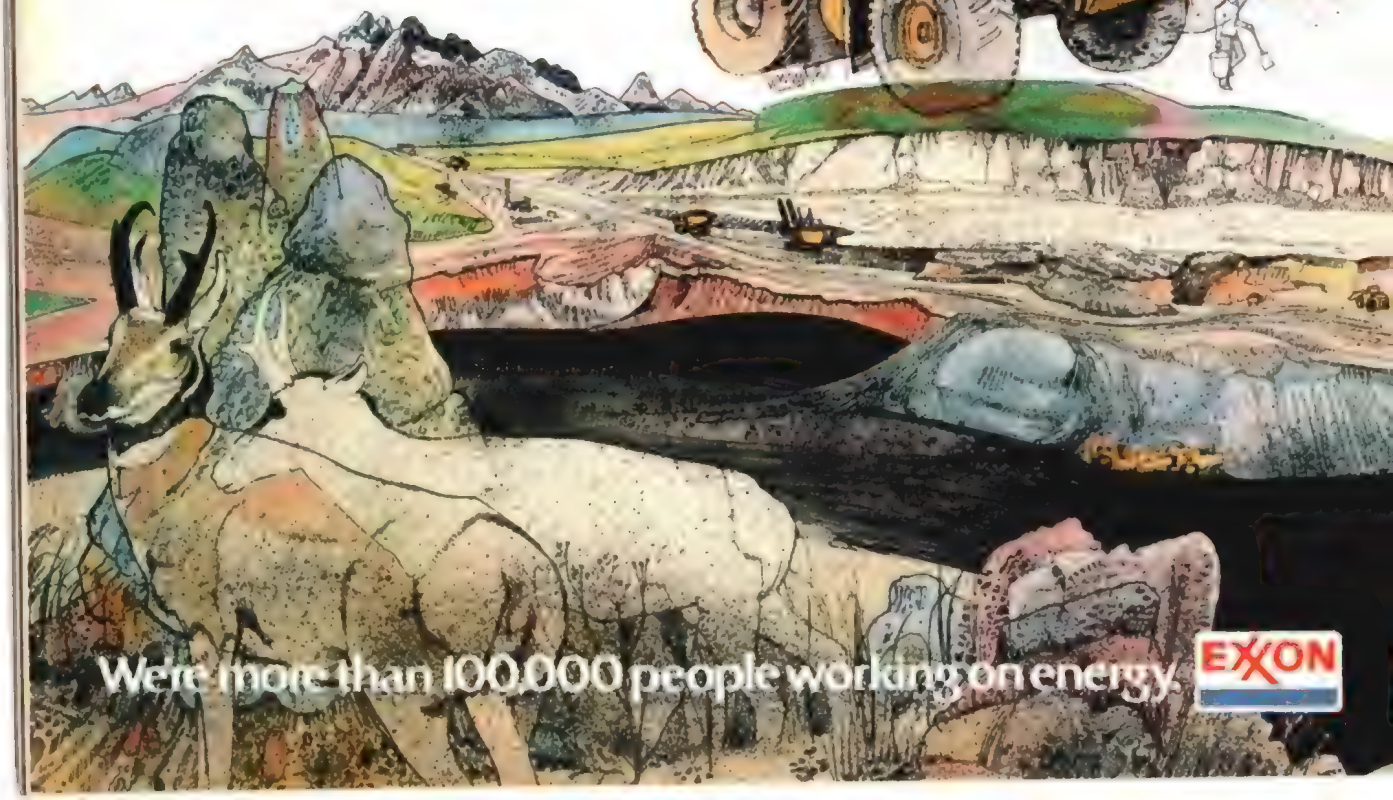

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Hutton's watercolors. But they have such dramatic scale that by the final page the short story, like the princess's part, is wonderfully extended.

The Crane Wife *(Morrow; $8.95)* is another work rooted in a vanished culture. Benisons are given to a Japanese peasant when he saves a delicate, wounded crane from death. A beautiful young weaver appears on his doorstep and immediately rewards his kindness with a bolt of priceless cloth. Enter the villain, avarice. It shows on the peasant's face, and then in his behavior, as he drives his new wife to make more and more fabric. She grows increasingly wraithlike with every thread, until she loses her humanity altogether and recedes into the bird form she had abandoned for love. Katherine Paterson's translation and Suekichi Akaba's line-and-wash drawings provide one of those East-West collaborations piously praised, often mentioned, but seldom exhibited to such effect.

In an epoch when colorful volumes crowd each other out in bookshops, the black-and-white **Jumanji** *(Houghton Mifflin; $9.95)* is more than refreshing; it is a revelation. With his second book *(The Garden of Abdul Gasazi* was a 1980 Caldecott honor book), Chris Van Allsburg has become a master of Conté crayon and diabolical narrative. A brother and sister, Peter and Judy, discover a board game in the park. At home, they begin moving pieces, attempting to get from the deepest jungle to Jumanji, a city of golden towers. As they begin, a lion appears on the piano, monkeys cavort in the kitchen, a monsoon drenches the house, and a python coils on the mantel. Every hair, every blade of grass is meticulously recorded, and incongruities like a rhino charging a telephone are presented with haunting deadpan accuracy.

Hosie's Zoo *(Viking; $10.95)* is an equally eerie place, populated with recognizable creatures of the jungle, but transfigured by Leonard Baskin's violent line and shadowy backgrounds. Some of the descriptions, by Baskin's wife and children, are worthy of Ogden Nash: "The pygmy marmoset's minuscule lips/ Spew shrieking taunts, fierce orations and quips." Others are freighted with anthropomorphisms and archness. But Paterfamilias Leonard makes no mistakes in his rendering of tigers, camels, bighorn sheep, aardvarks and other forms of animal life: the creatures seem to have an existence beyond the page. Parents should not be surprised if young readers hold the book up to their ears to hear the catcalls, snarls and bellows.

The heroine flees from the sun in Grimm brothers' *The Seven Ravens*

The heroine of William Mayne's **The Patchwork Cat** *(Knopf; $8.95)* is Tabby by name: stubborn by nature and depicted by Nicola Bayley. One morning, she is suddenly robbed of her favorite quilt by well-meaning owners. The snatchwork of the patchwork takes the disgruntled feline from garbage can to city dump, where she rescues the beloved bedding from rats and begins the long journey home. For several books, Bayley has been competing with other illustrators for the most lifelike cat postures and psychology. This year Tabby wins by a whisker.

A different breed of cat is the star of **A Dark Dark Tale** *(Dial; $8.95)*. Here the central role is taken by an unnamed black cat who once upon a time on a dark, dark moor takes a journey through a dark, dark wood to a dark, dark house, up dark, dark stairs ... Ruth Brown's spooky read-aloud book pretends to be scarier than it is: even the youngest listener should be delighted by the punch line. The book's mysterious power is engendered by the illustrations of weed-choked gardens and abandoned, echoing halls, of mullioned windows and blowing curtains—a child's portion of gothica, easy on the *frissons*.

If a child has ever wanted to change a frog into a prince, learn the principles of alchemy or snag a unicorn (and who has not?) **The Sorcerer's Scrapbook** *(Random House; $6.95)* is an ideal guidebook. Michael Berenstain's straightfaced account purports to be the Life and Times of Nicodemus Magnus, Doctor of Magic and Sorcerer to the Duke, told in his own words. But its true power and humor lie in its chiaroscuro Dark Ages illustrations of dungeons and dragons and a whimsical text that Merlin might have written on the wind.

"Once in a funny, odd-shaped house/ There lived a wee maid and a mouse./ The mouse was fat, the maid was thin./ The house was new—they'd just moved in." So begins the shaggy-mammal story **The Maid and the Mouse and the Odd-shaped House** *(Dodd, Mead; $9.95)*. Told in rhyme as infectious as the prescriptions of Dr. Seuss, the tale comes complete with the kind of conclusion that dissolves children in laughter at every telling. The house, it turns out, is more than odd-shaped, it is cat-shaped, complete with legs, whiskers and a roar that does not abode well for either occupant. Paul O. Zelinsky draws backgrounds with a studied eccentricity that recalls the works of '20s artists. But his creatures are very much of this time: the mouse treats his saxophone in the manner of Cannonball Adderley.

The Tasmanian wolf, the great auk and the quagga are no longer candidates for pets—or even zoos. All are extinct, a category that has always captivated children, probably because the creatures were equally unknown to parents and grandparents. In **As Dead as a Dodo** *(Godine; $10.95)* 16 vanished animals are saluted by Paul Rice and Peter Mayle, who provide answers to such youthful queries as: Why don't we see mermaids any more? Was there ever a blue animal? How do things become extinct? Shawn Rice's accompanying illuminations provide a valedictory Valentine to bygone fauna.

Mobile mothers receive workers' compensation in **My Mom Travels a Lot** *(Warne; $8.95)*. Caroline Feller Bauer's narrative covers the assets and liabilities of having a peripatetic parent (lots of postcards, only one bedtime kiss, more gifts, a lot of unmade beds). Nancy Winslow Parker's thin-lined illustrations provide a celebration of the ordinary, and make sly, reassuring comments about the characteristics of a single-parent home. —*By Stefan Kanfer*

Unwanted visitors monkey around a kitchen in *Jumanji*

Theater

Scar Tissue

GROWNUPS *by Jules Feiffer*

Laughter is no laughing matter in this play. In between one-liners and running gags, the characters on the stage of Broadway's Lyceum Theater shout and scream at one another. Their confrontations contain a sly malice, suppressed rage and maddening frustration. As comedy, *Grownups* is scar-tissue deep.

Utilizing autobiographical elements, Feiffer performs major surgery on an American Jewish family. He draws blood and then salts the wounds. His hero, Jake (Bob Dishy), is a well-regarded journalist in early middle age with a secure post on the New York *Times*. He seems agreeably married to an attractive wife, Louise (Cheryl Giannini), and they have a perky seven-year-old daughter named Edie (Jennifer Dundas).

All is not as it seems. Jake bitterly feels that he has been maimed rather than reared, and in his sister's kitchen we meet his parents. His father Jack (Harold Gould) is a raspy nonentity with a taste for booze and two unvarying questions on his lips: "So what's new?" and "When am I gonna see my granddaughter?"

Jake's mother Helen (Frances Sternhagen) is a tyrant of the hearth. She has X-ray eyes, but she can discern no conceivable virtue in anyone who disputes her dictums about food, home furnishings and the proper cowing of a child. She has a deep-freeze heart, and Jake had been stored there until he could be thawed out by externally approved success at the newspaper. For Jake's mother and father, the *Times* is the Talmud.

Bob Dishy

Jake is writing a book about "the moral and ethical disintegration of the American dream," and *Grownups* seems shackled to that thesis. For few explicable reasons, Jake and Louise crush each other in a rockslide of a marital spat that rivals the venom but not the wit of *Who's Afraid of Virginia Woolf?* In an explosive but faintly ludicrous finale, all the family pieties are blasted and blasphemed.

The cast is marvelously adept, especially Sternhagen and Dishy. She never camouflages the essential hideousness of the character she portrays, and he distills a tormenting anguish from the dregs of self-pity.

In his cartoons, Jules Feiffer has saucily lampooned the neurotic as thinker. In previous plays (*Little Murders; Hold Me, Knock Knock*), he has caricatured U.S. society as a surrealistic maze of false values. In *Grownups*, he simply utters a scream of pain.

—*By T.E. Kalem*

Love before the ruin: Heiress Fonda and Banker Kristofferson in *Rollover*

Cinema

Fiscal Fizzle

ROLLOVER
Directed by Alan J. Pakula
Screenplay by David Shaber

Doomsday again! But *Dr. Strangelove* has sunk to the bottom of some obscure think tank, and *The China Syndrome* has been diagnosed as a disease of the wrist afflicting Ping Pong addicts. From the grandly atomic, our fantasies of Armageddon have apparently deteriorated, in a few short years, to the meanly fiscal. *Rollover* asks us to contemplate what would happen to our money-market accounts if the Arabs were to withdraw their oil wealth from the Western banking system, convert it into a mountain of gold bars and then sit smirking atop it, watching the rest of the world lapse into a deep depression.

This is not exactly a novel scenario; the scarier financial writers have been mulling it over for years. But there is something brave about *Rollover*. It undertakes to explain, in dramatic terms, how the international monetary system functions and to speculate on how a monkey wrench could be inserted into the computerized, satellite-linked works by which currency is instantaneously traded round the world. Someone whose most sophisticated investment was a flyer in 1944 war bonds may not be able fully to assess these maneuvers, but it is nice to be asked.

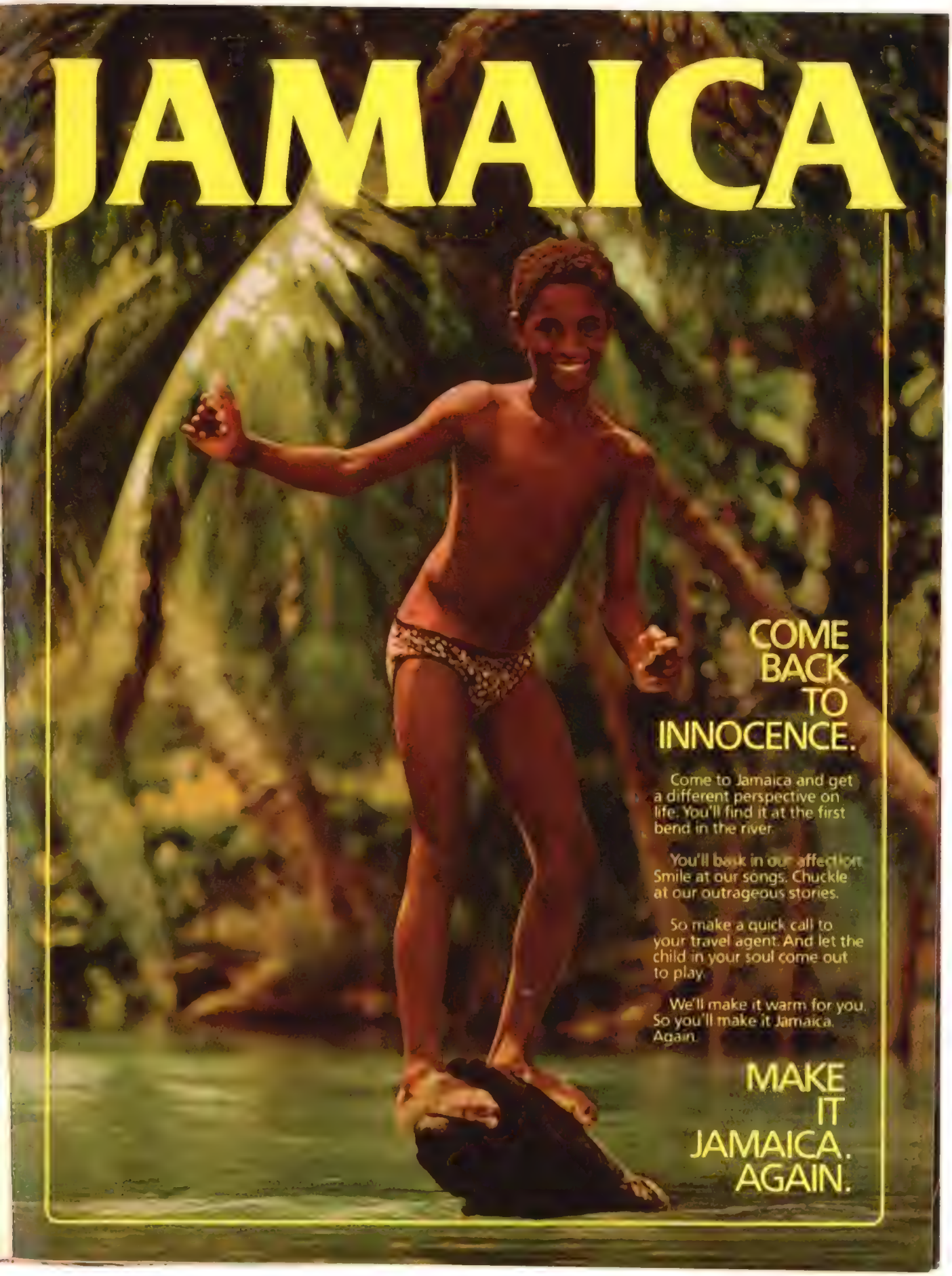
A less secure director than Alan Pakula might have succumbed to the temptation to rush through the financial pages of his script in order to get on with the elements of murder, mystery and romance. But as he has proved in films like *Klute* and *All the President's Men*, Pakula is a true stylist, a man who sees the world through a slow-panning lens darkly. For him, the corridors of power are menacingly dim and hushed, and by forcing the audience to dwell on his paranoid vision of that maze, the director commands a certain sober respect.

That may be more than his film finally deserves. The plot involves the slow-dawning discovery by a corporate executive's widow (Jane Fonda) and a financial wizard (Kris Kristofferson) that her husband was murdered. She is also in danger because her husband discovered how the oil interests were quietly draining resources away from Wall Street. Neither performer is particularly believable. The romance that develops between them is unfeeling, a sop to the audience's conventional expectations. Kristofferson, in particular, lacks the kind of ruthless intelligence one expects of Wall Street wolves; he seems the last person anyone would ask to explain puts and calls options.

Far more damaging is the childish ease with which these two penetrate the conspiracy. A careless phone call here, a too-trusting security guard there, and all is revealed to them. If these international manipulators are so smart, how come they leave the notebook containing the secret computer code lying around where anyone can read it? Can we really be expected to believe that the conspirators would bring down the financial system—an act as inconveniencing to them as to the rest of the world—just because Jane and Kris (but no one else) have caught on to them?

No, in the end it just does not wash. One is left with a succession of classy, spooky images, a titillated but unsatisfied imagination and the feeling that there is both less and more here than met Pakula's excellent eye.

—*By Richard Schickel*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Tattered Flag

FOUR FRIENDS
Directed by Arthur Penn
Written by Steven Tesich

Steve Tesich's love for America is an intoxicating passion. In his plays *(Division Street)* and screenplays *(Breaking Away)*, this Yugoslav immigrant envisions an America that is a goad to greatness, an impossible ideal, a reconciler of a thousand contradictions, a Swiftian kick in the pants. Director Arthur Penn is fascinated with America too, but critically. He has upended myths of the Old West *(The Left-Handed Gun, Little Big Man)* and found desperate excitement on the fringes of 20th century Americana *(Bonnie and Clyde, Alice's Restaurant)*. As collaborators, these two artists might produce high-arcing dramatic sparks, or maybe just rub each other the wrong way. In *Four Friends*, a picaresque panorama of life in the turbulent 1960s, they seem to have done a little of both. The film is ambitious, messy, moving, silly, impossible to accept on its own lofty terms, almost as difficult to dismiss.

"David, Tom and Danilo were the best of friends. And they all loved the same girl." David (Michael Huddleston) is a fat, funny Jew, welded by family tradition into his niche as a middle-class mortician. Tom (Jim Metzler) is tall, quiet, athletic, a reluctant ladykiller; he goes to Viet Nam and brings back a native wife and two children. Danilo (Craig Wasson) is Tesich's maturing self-image: breezing through high school and college, working in a slag mill, brushing up (almost fatally) against old American wealth, articulating his fellow Slavs' ardor for their adopted country. All three boys have Georgia (Jodi Thelen) on their minds—a willfully free-spirited girl, naive and narcissistic, who thinks herself the avatar of Isadora Duncan and lopes through the '60s in search of a style. *Four Friends* proceeds in the same manner. As one character forlornly notes: "The excess of all this is a little staggering."

Like *More American Graffiti* and *Willie and Phil* before it, *Four Friends* omits no fact or artifact from its survey of a decade. Pop songs, love beads, Jack-and-Jackie beachballs, deranged assassins—all are strip-mined for significance. The performers (excepting Reed Birney as a gentle, doomed aristocrat and Natalija Nogulich as Danilo's one stalwart love) display little charm, conviction or screen presence. But the intensity of Tesich's obsessions can ennoble his clichés about love of family, friends and country. And Penn, a poet of domestic sexual tension, stages illuminating vignettes to express what the script or actors cannot: a spasm of violence at Danilo's dinner table; the elegant tangle of lovers on a summer beach, with a third figure watching anxiously; a final campfire rendezvous full of elegy and accommodation. By this time the film has almost stitched itself back together, like the tattered American flag that Penn uses as bunting for his characters' shifting spirits. But the red of Penn's anger and the white of Tesich's soul may end up leaving most viewers blue.

—*By Richard Corliss*

Thelen and Wasson in *Four Friends*

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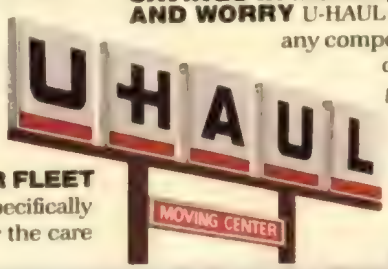

Ha'penny

PENNIES FROM HEAVEN
Directed by Herbert Ross
Screenplay by Dennis Potter

Steve Martin has a face straight out of a 1930s B movie: smooth, smiling, with regular features and a subtly oafish flair to the jawline. Jessica Harper is frail, frazzled, wide-eyed and sad-mouthed in the '30s tradition of soiled ingénues. Bernadette Peters looks like the offspring of a Kewpie Doll and a Munchkin. Christopher Walken's face is a gigolo's death mask: the character lines have been ironed out, leaving only the dry-ice eyes and the knowing pout. As icons, these four performers would seem perfect for the bittersweet revisionism of this musical drama about a sheet-music salesman (Martin), his frigid wife (Harper), his nice-turned-naughty mistress (Peters) and his slick rival (Walken). But icons do not always make for compelling screen personalities—especially when, as here, more is demanded than just another appropriate face.

As a six-part BBC series, *Pennies* was a beguilingly schizophrenic project. It mixed the rigorous naturalism of poverty and mean spirits in the Depression with opulently choreographed dream sequences that stopped just this side of camp. The characters, however rueful or ruthless, were also insatiably idealistic. They actually believed the words of the period's popular songs—so much so that they lip-synced the lyrics to the recordings, and their sad, drab lives dissolved into the art deco optimism of Hollywood musicals.

Martin in *Pennies from Heaven*: sad, drab lives turned into Hollywood dreams

All that is retained here; what is missing is an animating cohesion that would keep the actors from looking stranded in two different movies. In his singing and dancing debut, Martin goes through paces with the game energy of Dr. Johnson's dog, and the other stars seem weighed down by the movie's megabudget. Only Vernel Bagneris—with his dusky sensitivity and a body that moves through his soft-shoe number like a Slinky on an escalator—develops a strong personality. Visually too *Pennies* is of two minds: Ken Adam's precisely gaudy sets need megawatt illumination, but Cinematographer Gordon Willis keeps most of the lighting as morose as a coal miner's funeral. Perhaps this was not the project on which to lavish so many MGM millions. The BBC show was an enchanted cottage; this is the Las Vegas Grand Hotel. —*R.C.*

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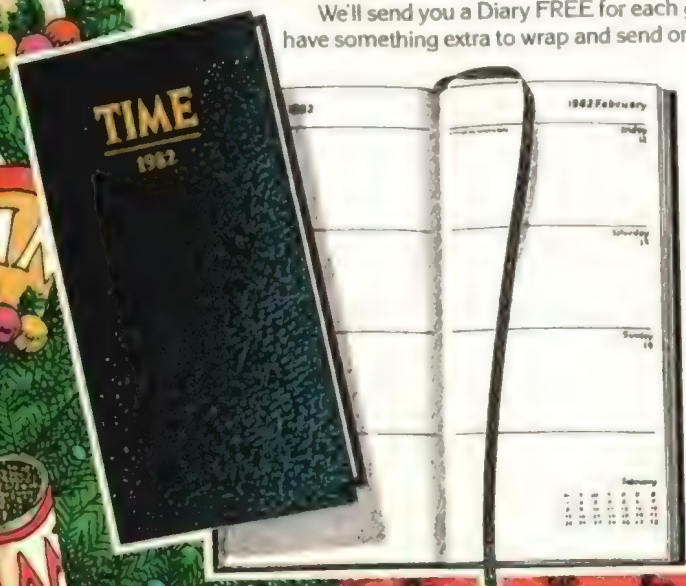

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Indian Spokesman William Pink examines artifacts in Sacramento collection

Some Bones of Contention

The first Californians are challenging archaeologists

In a meadow near Eureka, Calif., on the state's rocky northern coast, 50 Yurok Indians gathered for an unusual ritual. After three younger members of the tribe hollowed out a bit of earth, a Yurok leader reverentially placed seven bags in the hole. Ella Norris, 83, the tribe's oldest member, moved forward. Raising her eyes toward the sky, she said a prayer in English and in the language of her forebears: "We are sorrowful for the sacrilegious actions of the past. May these remains lie peacefully at rest forever."

The ceremony took place at Patrick's Point State Park, and for the Yuroks, a small tribe of California Indians, it was an especially important rite. After years of anguished protest, they had finally recovered the bones of their ancestors, plundered by scientists and amateur collectors, and reburied them in sacred soil. But for many California scientists, especially archaeologists and anthropologists, the ceremony had a different meaning: it was the latest episode in a continuing battle over the right of researchers to study America's distant past.

The reburial was the second staged by California's Indians, and may soon be followed by others because of a controversial state decision in September. Bowing to strong pressure from an Indian heritage group led by William Pink, 31, the state parks and recreation department agreed to allow the tribes to reclaim bones and artifacts from its collection in Sacramento. Curator Francis Riddell was in despair: "We're giving back what I spent 25 years excavating and preserving." The Yuroks reburied their bones in an unmarked plot to guard against future looters. The field at Patrick's Point, though it now belongs to the state, is part of an ancient burial ground that was long a favorite target for hunters of Indian relics. Says Yurok Tribal Chairman Joy Sundberg, 49: "White people came through this area in the 1920s and '30s and took everything Indian they could get their hands on. Every college, every souvenir hunter wanted Indian artifacts. Back then there was no way to stop them. Now we can at least try to protect our ancestors."

For archaeologists, who are often accused of grave robbing, the Indian war cries should come as no surprise. Only a few months ago, militant Orthodox Jews in Israel clashed with police during protests against excavations in an area of Old Jerusalem considered sacred ground, a medieval Hebrew cemetery. A year before his death, Egyptian President Anwar Sadat urged that Cairo's collection of mummies be closed to the public and eventually reburied. They were not merely objects of scientific or public curiosity but hallowed human remains and thus deserving of respect.

The complaints of American Indians have special poignancy. The culture of these conquered people was long regarded as inferior. When 19th century scientists first began to unearth the huge, artfully built prehistoric mounds found in abundance throughout the Midwest, they refused to believe that America's surviving Indians were the descendants of people who had such engineering skill. Some of this scientific racism still torments the Indian psyche. Walter Lara, 47, a leader in the Yuroks' fight for the return of the bones, says, "We're not property, and neither are our ancestors. Archaeologists don't dig up George Washington's body and put it on a shelf. But they do have the skull of one of our leaders, Captain Jack, sitting in a glass case in the Smithsonian."*

For their part, scientists fear that the action in Sacramento is only the first step in a systematic assault against other private and public Indian collections. Many also perceive an antiscientific bias in the Indians' campaign and a broader threat to all free inquiry. U.C.L.A. Archaeologist Clement Meighan, who is the chairman of a recently formed committee seeking to overturn the state's decision in the courts, even invokes the image of China's Cultural Revolution, during which centers of learning were shut down and scholars exiled to the countryside to do menial labor. Says Meighan: "Since many of these bones are over 2,000 years old, it's hard to imagine how any Indian in California can trace lineal descent [from them]."

Other archaeologists take a more sympathetic view of the Indians' aroused racial pride. Indeed, some are making a special effort to cooperate with Indian leaders. Under an agreement with the Sioux tribal council, for example, archaeologists have pledged to return after two years of study any bones removed from the newly discovered site of a massacre that took place at Crow Creek, S. Dak., 600 years ago. California's directive, though, contains no provision for negotiation or compromise: the Indians will be able to reclaim and rebury any bones and burial goods in the state collection.

Unfortunately, much of this archaeological treasure—371 skeletal remains and more than 100,000 artifacts, including jewelry, tools and musical instruments—has barely been studied, especially not with the latest analytical tools for dating, identifying and interpreting ancient fragments. It is hard not to wonder what secrets remain in this rich legacy left by America's first settlers. Curator Riddell hardly seems to be exaggerating when he warns: "In reburying this collection, we are unwittingly assisting the Indians in destroying their past." —*By Frederic Golden. Reported by Alessandra Stanley/Patrick's Point*

Skeleton waiting for reburial

*Captain Jack led a small group of Modoc Indians in Northern California who held off the U.S. Army for six months in 1873. After he shot a general, he was hanged and his head was shipped East for scientific analysis but never put on display. The Smithsonian has now agreed to return it to the Indians.

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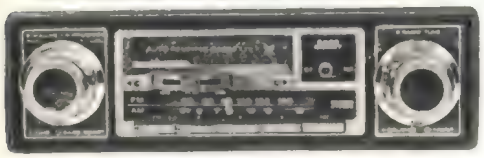

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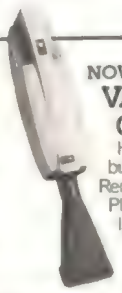

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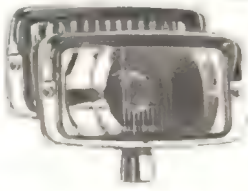

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Crusader for Couth

Marjabelle Stewart's message: good manners are fun

The stylishly dressed party of eight lunching at a center table in Chicago's tony Ritz-Carlton restaurant is about to start the second course. As white-aproned waiters whisk in *artichauts vinaigrette*, the guests exchange amiable chitchat. Dark-haired August Walker Pelton regales the group with an anecdote about Princess Caroline of Monaco. "She tells me," he confides, "that when anyone in their family has elbows on the table, her grandmother jabs them with a fork." In the lull that follows, Bridget Dunham chews meditatively on her water goblet, picks her teeth, then dives under the table after her napkin. Garo Tokat loses a battle with his artichoke, which rockets off the plate and onto his lap. Tiffany Field, her ivory dress askew, is so absorbed in her food that her long blond tresses marinate in the vinaigrette.

Though the meal may at times have overtones of the Mad Hatter's tea party, its hostess, Marjabelle Stewart, 51, insists it will be one of the most important events in her guests' lives. August, Bridget, Garo, Tiffany and Co. range in age from five to eleven, and they are learning dining etiquette. By teaching proper behavior to children all over the country, Stewart says, she is helping bring about a revolution. "We are emerging from the rude, rebellious period," maintains Stewart, who in voluminous hot-pink chiffon gown and Margaret Thatcher coiffure is something of a period piece herself. "Manners are in again. Everyone is tired of slobs."

The daughter of a society photographer, Stewart is a woman with a mission, a crusader for couth. More than 700 department stores in 43 U.S. cities are franchised to conduct her etiquette training for children, and over the past 15 years, 160,000 clumsy charges have been coached in Marjabelle's method. The six one-hour sessions plus a seventh for graduation ceremonies, which cost up to $65, exist in spots as scattered as Little Rock, Ark., Tuscaloosa, Ala., and Tyler, Texas.

Against a background of white tablecloths and candlelight, preteen girls who sign up for "White Gloves and Party Manners" are instructed in such arcane lore as curtsying ("When you are presented to the Queen, your head should scrape the ground"). "Blue Blazer" seminars for boys omit the candlelight in favor of a clubroom atmosphere. At the Belk Tyler store in Rocky Mount, N.C., a White Gloves class, which opened in September, has been "a phenomenal success," according to Operations Manager Fred Combs. Says he: "Children are learning things they'd never learn at home."

Marjabelle, who runs her empire from her lawyer-husband's home town of Kewanee, Ill. ("Hog Capital of the World"), also works with some 60 corporations to impart the social graces to bumptious executives. For too many, nose-to-the-grindstone careers have left little time for the velvet touch. In addition, Stewart has written eleven books, three of them with Ann Buchwald, wife of Columnist Art, which sport such jaunty titles as *Looking Pretty, Feeling Fine* and *Stand Up, Shake Hands, Say "How Do You Do."*

The hotel etiquette sessions had their first tryout at the Ritz-Carlton in September. They are designed to acquaint children with the complexities of room service, restaurants, concierges, elevators, front desks and the social amenities. "Average people want their children to be a little more upper crust; upper-crust people want to be more upper crust," says Stewart. "The goal is children who are not a constant source of embarrassment." As the students arrive at a 25th-floor duplex suite, they are met by their hostess beside a sweeping spiral staircase. "How *do* you do?" Stewart asks a bashful Nicole Kyros. "It is so *nice* of you to come." As parents are tactfully but firmly dismissed, the moppets, propped up in chairs three times too big for them, look as if they are about to face a firing squad.

Marjabelle soon breaks the tension by explaining that the first lesson will be all about poise. "Pretend you are sniffing a long-stemmed red rose," she tells the girls. "It will lend the appearance of poise—that's a Jackie Kennedy trick." After burying her nose in a dark-red bloom, Marjabelle gazes ecstatically at the 30-ft. ceiling. "Ah!" she croons. "Isn't that completely invigorating?" Suddenly everyone wants to have poise—even the boys. No roses for them, though. They are told to invigorate themselves by imagining the smell of burning leaves.

Marjabelle is full of nattering etiquet-cetera. If his parents have a 50th wedding anniversary, she tells a skeptical Brook Blakslee, the neighborly Reagans just might send a congratulatory telegram. "Aren't they lovely people?" Marjabelle sighs. "It's a relief to have such gracious people leading our nation, don't you think?" Even knife-and-forkmanship becomes fun. "Let's not look like we're flying," she adjures, flapping her elbows. When the soup arrives, Marjabelle chants, "Dip away, lean forward and sip."

Young students and Marjabelle Stewart seated for lunch at Chicago's Ritz-Carlton restaurant

"We are emerging from the rude, rebellious period. Manners are in again."

Like a group of Chinese doing their *t'ai-chi* exercises, her wards move in perfect harmony as she adds, "Let's pretend our spoons are little boats going out to sea."

Table topics are the food and new jokes. Cortney Llewellyn complains *sotto voce* that the tomato soup tastes "like spaghetti sauce," while Elizabeth Borland grimaces at the exotic seaweed. "It tastes just like spinach—awful." Tiffany scores big with her elevator joke (What did one elevator say to the other? Answer: I'm coming down with something). The class ends as all classes should: with diplomas and prizes. Each child receives a gold-stamped certificate and a Lucite paperweight. Saying goodbye, five-year-old Bridget wraps her arms around Marjabelle's legs and whispers dramatically: "The worst part is when the party is over." —*By Michael Demarest.*

Reported by Ken Banta/Chicago

Hard Times for the Status-Minded

He may never have been a Galileo of the social firmament, but as a journalist Vance Packard is clear-eyed enough to have seen, before anybody else, that the post–World War II U.S. had got caught up in a compulsive competition for status. The proof came in *The Status Seekers* (1959), a dissection of those Americans who, as the author put it, were "continually straining to surround themselves with visible evidence of the superior rank they are claiming." Since that happened to include just about the entire U.S. population, the great status game, once focused, provoked a great many fears that it would damage the egalitarian ideal and hasten the evolution of sharp class lines. What none of the fearful saw was that, given the services of mass production and sustained prosperity, universal chasing after prestige would engender such a gorgeous and gaudy muddle of status symbols as to reduce the game to farce—which it has now plainly become.

Status in its diverse forms still exists, no doubt, and many an American is still out there grabbing after some of it. What makes the spectacle ridiculous now is that, except in rare cases, people who have latched onto some status cannot be sure of how to flash the news to the world, and people who are watching cannot be sure who is dramatizing what sort of status with what symbol. Order Gucci loafers and you only risk winding up shod the same way as the boy who delivers them. A Cadillac today signifies nothing about the owner except that he might well pull in at the next Burger King. Incontrovertibly, any game has been seriously maimed when you can no longer tell who is winning or losing. The status game had surely begun to turn absurd as soon as the man in the gray flannel suit began turning up in denim and sneakers—with no loss of prestige. The absurdity had clearly become utter by the year now ending: it was the year in which the President of the U.S. had to resort to the jelly bean for a symbol that set him apart from other folks.

The present symbolic muddle is enough to make one nostalgic for the good old days when everybody imagined that he could peg a person's status with only a few facts about the subject's clothes, schooling, job, neighborhood and car. The days when everybody enjoyed the habit of looking at all the artifacts of civilized existence as though they were primarily badges of rank. The days when elitist Middle Americans casually sneered at fellow citizens who lived in suburban split-level houses—which only a Rockefeller could afford today. Inflation is just one of the things that undermined the great status chase. The prior years of sustained prosperity contributed to the same end—giving people of middling status possession of most of the fashions and products (luxury gadgetry, stereos, color TV sets) that only the well-heeled could afford formerly. Then, too, the cultural conniptions of the 1960s and '70s helped subvert the rules of the status game; hell-raising youth provided adult Americans with (besides headaches) liberating proof that it is possible to have a good time while disdaining conventional symbols.

So many of the game's players, as well as its symbols, have changed. Many Americans have lost interest in status showing off, as is handily deduced from a *Wall Street Journal* headline of this very season: MOST BOSSES SHUN SYMBOLS OF STATUS. Other Americans have taken to picking their symbols to reflect values other than social rank. In *The New Elite*, out this year, David Lebedoff reports that professional and artistic Americans have begun shrugging aside the traditional symbols of economic rank. Says Lebedoff: "They can't afford them, so they downplay them. A mink coat at a faculty party is a disaster." Another social critic, John Brooks, suggests (in *Showing Off in America; From Conspicuous Consumption to Parody Display*, published last summer) that people are undermining the traditional status competition by mocking it. Says Brooks, for instance, of those who sport so-called high-tech décor in their homes: "They flaunt commercial and industrial objects to prove that they don't have to be serious about such matters."

The confusion of the U.S. status race has been abetted by, among all else, the widespread adulteration of the very idea of the status symbol. The phrase has long since been stretched into an all-purpose label that gets promiscuously stuck on things that symbolize not status but mere fashion and faddishness. Even those graffiti-stamped T shirts that have had such a long, hot run of popularity have been called status symbols. Nonsense. If such garments symbolize status, it is surely the entire spectrum of status, high and low; the same can be said for those ubiquitous sports shirts with little alligators on the chest.

Careless use of the phrase tells just how frequently the meaning of status is overlooked by ostensible status auditors. Status is not merely rank, but rank within a hierarchy of esteem or prestige. The accouterments of style and fashion do not always or even usually amount to symbols of status. A privately owned yacht still symbolizes high financial status, but Sperry Top Siders—now worn by landlubbers of all varieties—no longer symbolize the status of yachtsman as they once did. Initialed handbags of the Louis Vuitton sort signaled uppering status in the days when people spoke of "going abroad"; now such bags have been so replicated that they represent little but the exhaustion of pop imagery. A VW Rabbit driven by a rich man dramatizes not status but conservation chic, in the same way that the now popular pickup truck, in the hands of suburbanites, is a symbol not of rank but of utilitarian chic. Some observers speak of solar heating panels as the new status symbols, but these devices do not dramatize social standing nearly as much as a philosophic (and economic) attitude. Those beepers that summon people to unseen telephones? Years ago, when they were rare, beepers emanated some prestige, but today, in profusion, they signal little but duty.

The status show, old style, still trudges on, to be sure, but it is most noticeable nowadays among the rich and most amusing to notice in Washington, which displays in concentration the social mode that reflects the country's ascendant mood. Says Diana McClellan, who closely monitors the status chase as the Washington *Post* gossip columnist: "There's more of a polarization now between the really rich and everybody else. These people are plastered with rubies and things to the point where you don't think you've got a chance. How can you hope to top $700,000 worth of Bulgari jewels around somebody's neck? You don't—you give up and go with plastic Scottie dogs or something."

Status, as notion or fact, is inseparable from the human condition. Given the nature of the U.S. as an open society cherishing the premise that anybody is free to rise, a good deal of status chasing was inescapable from the outset. If the chase had indeed rigidified the lines of class in the society, the symbols of status could only have become ever more clear. Reflecting upon that fact, one contemplates the present symbolic (and hierarchical) muddle with a light heart.

—*By Frank Trippett*

Illustration for TIME by Cathy Hull

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